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NEWS SUMMARY

GENERAL

Arms deal push in U.S.

The failure of the U.S. Senate to ratify the proposed SALT II arms treaty could lead the Soviet Union to increase its nuclear arsenal by a third and cost the U.S.$30bn to match this over the next 10 years, Mr. Harold Brown, Defence Secretary, warned.

Mr. Brown's speech to the New York Council on Foreign Relations complemented another "SALT-selling" attempt by Mr. Zbigniew Brzezinski, President Carter's National Security Adviser.

The Administration is expected to face a tough fight to win the necessary two-thirds majority for the treaty. Page 4

Rebels take Entebbe

Tanzanian - backed invasion forces in Uganda captured the main international airport at Entebbe and are now on the outskirts of the virtually undefended capital of Kampala.

Tanzania said that pro-Amin forces had launched a second air attack on villages in the north-west of Tanzania.

Pakistan clashes

Thousands of angry followers of Mr. Zulfikar Ali Bhutto, the hanged former Pakistan Premier, clashed with armed police in Rawalpindi, Lahore and Karachi after memorial prayer ceremonies. Page 4

Lord Allan dies

Lord Allan of Kilmahew died, aged 64, in Sydney, Australia, shortly after arriving from London. His trip was to have been a farewell visit before his retirement from the Pearson Longman board this summer. **Obituary Page 7**

Adviser chosen

Mrs. Margaret Thatcher, Conservative leader, has chosen Professor Douglas C. Hague, deputy director of the Manchester Business School, as her personal economic adviser during the General Election campaign. **Back and Page 10; Men and Matters, Page 18**

Nkomo support

Zanu, one of the main black parties contesting Rhodesia's elections, said it was prepared to back the nomination of guerrilla leader, Joshua Nkomo, for President of the new black-ruled state.

Gas explosion

Gas Board officials were investigating the cause of an explosion which badly damaged a row of houses in South London, injuring seven people, two of them seriously.

Bread price rise

Bread prices are set to rise by 2p a loaf from next month unless the Price Commission decides to freeze the price for three months while it investigates applications from bakers.

Cleveland find

A sharp-eyed schoolboy from Cleveland, Ohio, who spotted a faded $10 0bill in the rubble of a demolished house, sparked a search by hundreds of people who sifted $800,000 worth of Depression vintage notes from the debris.

Briefly . . .

Tote will sponsor the Cheltenham Gold Cup Steeplechase to the tune of £135,000 over the next three years. **Racing, Page 16**

Humourist Auberon Waugh may stand in the General Election—on behalf of dogs.

Orphan child in Madhya Pradesh, India, was slaughtered in a tribal sacrifice to the gods, a court was told.

BUSINESS

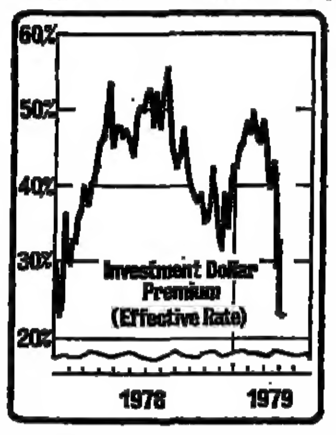
Equities up 8.9; rally by Gilts

● **EQUITIES made impressive gains following the good GKN results and the cut in Minimum Lending Rate. The FT 30-share index closed 8.9 points higher at 532.7.**

● GILTS rallied after-hours because of suspected foreign support, with longs recovering by up to ¾ and shorts improving by up to ¼. The Government Securities index gained 0.23 to 74.77.

● STERLING continued to strengthen and closed 75 points up at $2.0745. It trade-weighted index was 66.7 (66.5). DOLLAR was stronger against most currencies, but its trade-weighted index was unchanged at 85.5.

● DOLLAR INVESTMENT Premium fell 1¼ points to 53¼



per cent in the wake of selling by institutions and others.

● GOLD rose $2 in London to $241½.

● WALL STREET rose 3.38 to 873.18 near the close.

● LLOYDS BANK International has agreed a commercial credit of up to $100m for China, bringing the total UK financing extended to Peking so far to $1.675bn. Page 25. National Westminster Bank has signed a $100m Eurocurrency loan with China.

● PRICE COMMISSION has allowed Shell an average 1.5p a gallon increase on its products while it investigates an application for price increases of about 3p a gallon. **Back Page**

● LONRHO has raised its bid for Scottish Universal Investments by £3.3m to £43.5m. Sir Hugh Fraser, SUITS deputy chairman, is to recommend acceptance. **Back Page**

● ROBERT FLEMING, the London merchant bank, and T. Rowe Price, the U.S. investment management firm, have formed a joint venture for managing international investments of U.S. institutions. **Back Page**

● SAUDI ARABIA has applied a special $1.14 a barrel surcharge for its very light Berri crude in a move to rise above the OPEC price increase agreed

● THE BBC's 26,000 staff belonging to the journalists and broadcasting unions are likely to accept a pay deal giving rises of 17 per cent over 18 months from last autumn. Page 10

● LEYLAND VEHICLES, the truck and bus division of BL, had a loss of £15m last year. Page 7. Support for a strike threatened by BL Cars' craft-workers appears to be weakening. Page 10

COMPANIES

● GKN steel products group raised pre-tax profits from £31.5m to £45.3m in the second half of 1978, taking the yearly total to £87.3m (£72.3m). Page 20 and Lex

● BOWATER CORPORATION increased pre-tax profits by £3m to £90m for 1978, sales dropped from £1.72bn to £1.56bn. Page 20 and Lex

● DALGETY, the agricultural products merchant, intends to pay £16.9m-£19.4m for Martin-Brower, the U.S.-based food distributor which had sales of around £290m last year. Page 23

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. Var. 1982 £95⅞	+	1/16
Exch. 12pc '99/02 £103½	+	¼
A. B. Electronic ... 228	+	12
Allied Breweries ... 98	+	3½
Bambers ... 275	+	20
Bilton (P.) ... 246	+	10
Blackwood Morton 27	+	3
Boots ... 229	+	4
British Printing ... 58½	+	2½
Brown (J.) ... 553	+	12
Burton A ... 300	+	10
Carpets Int. ... 58	+	5
Carron ... 88	+	11
De Vere Hotels ... 232	+	7
Edwards (Louis C.) 48	+	5
Grand Metropolitan 164½	+	5½
Gt. Portland Ests. 288	+	12
GKN ... 278	+	24
Keyser Ullmann ... 69	+	3
Ladbroke ... 239	+	13
Lilley (F. J. C.) ... 92	+	6
Marks and Spencer 116	+	5
Northern Foods ... 122	+	5
Perry (H.) ... 150	+	8
Phoenix Timber ... 168	+	15
Ratners (Jewellers) 86	+	5
Sotheby Parke Brnt 335	+	12
Africander Lease ... 240	+	10
General Mining ... 425	+	5
M.T.D. (Mangula) 80	+	5

FALLS

Barget ... 24½	—	2½
Jacks (Wm.) ... 36	—	7
Startrite ... 166	—	9
Sykes (H.) ... 80	—	7
Shell Transport ... 756	—	6

Lending rate cut to stem currency inflow

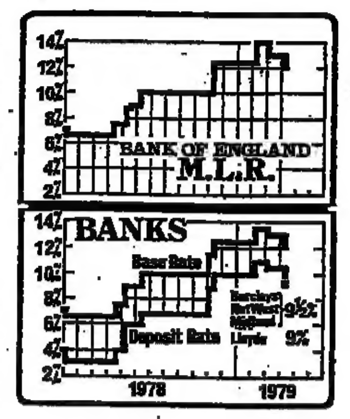
BY PETER RIDDELL, ECONOMICS CORRESPONDENT

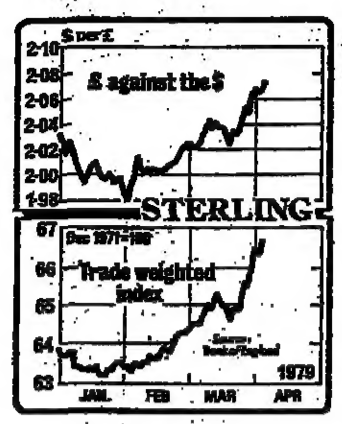
THE Bank of England yesterday acted to try to stem the inflows of foreign currency into the UK which have built up strongly in the past 10 days. Minimum Lending Rate was cut by one percentage point to 12 per cent and the Bank was reported to have stopped intervening on a large scale to check the rise in the exchange rate.

This marks an important change of tactics compared with the last month. Previously, the Bank had sought to keep interest rates stable and had intervened regularly to prevent too sharp an appreciation in sterling. This led to an underlying rise in the official reserves of $1bn in March Continuing heavy inflows this week appear to have prompted yesterday's action because of concern about the possible impact on the growth of the money supply.

Foreign exchange dealers yesterday said that there were none of the familiar signs of Bank intervention in the afternoon apart from occasional smoothing action.

The response was a late rise in sterling, which apreciated by ¾ of a cent against the dollar to $2.0745. The trade-weighted index, measuring the value of sterling against a basket of





other currencies, rose 0.2 to 66.7 to equal its February 1978 peak, which was in turn the highest level since summer, 1976.

The cut in MLR was immediately followed by a reduction in the base lending rates of the clearing banks, also down from 13 to 12 per cent. This means that a top-quality corporate customer will be paying 13 per cent and overdraft rates generally will be up to 16 or 17 per cent.

The changes were led by Lloyds Bank, which differed from the other clearers by reducing the rate of interest paid on seven-day deposit and savings accounts by 1½ percentage points to 9 per cent. The other clearers cut their deposit rates by one point to 9½ per cent.

The reduction in MLR will not have any affect on building society rates, which were not increased when MLR went up to 14 per cent on February 8.

The Council of the Building Societies Association said yesterday that the rates now offered by the societies to their investors were not high enough to produce all the funds needed by homebuyers. But societies hope that with a decline in the general level of rates in the economy, this position will be rectified.

The Bank of England yesterday said the cut in MLR "had been made in response to the recent upward pressure on sterling in the foreign exchange market and fall in short-term sterling rates of interest. The level of short-term rates now established is judged to be consistent with continuing domestic monetary restraint in the

The authorities had been reluctant to change MLR because of uncertainty about the underlying strength of bank lending after the record rise in advances in February. They will not be able to tell for some time how much of this rise was exceptional and due to the industrial disputes and the bad winter weather.

So, faced with an immediate threat to monetary control from growing inflows from abroad, the Bank decided to bring down MLR into line with the lower level of money market rates.

The hope is that this will reduce the pressure. To carry conviction with the markets the move would have to be reflected in a change in sterling intervention tactics.

The clear implication is that

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GATT talks on new import safeguard code break down

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS between the EEC and the developing countries aimed at agreeing a new GATT code to regulate the safeguard measures which can be taken against disruptive imports collapsed here yesterday.

This has been a key issue throughout the GATT Tokyo Round negotiations, but it is now clear that there will be no safeguards code in the package which is expected to be finalised next Wednesday.

This leaves a major gap in the new GATT agreement. Without a safeguards code, agreements which have been reached including the industrial tariff cuts, lose much of their impact.

Safeguard measures are covered by Article 19 of GATT. This allows members to take emergency measures to limit imports when they cause, or threaten to cause serious injury to domestic industry. But they have to be applied against all suppliers regardless of which one is deemed responsible for the "injury," although several countries, including the UK, have broken the code by taking selective action against a particular supplier.

The EEC insists that such measures should be applied selectively against the "offending" importer. The EEC eventually managed to persuade the U.S. and Japan to accept at least the principle. But it has failed to convince the developing countries.

The EEC itself has also been divided on the issue. The UK only agreed to accept the Tokyo Round package after receiving assurances from other EEC members that the Community could apply the safeguards selectively in the absence of a new safeguards code.

However, other members such as West Germany, Denmark and the Netherlands, would also most certainly resist such action.

Yesterday's breakdown in talks followed the decision by the EEC's Council of Ministers on Wednesday not to weaken its stand on selectivity. The developing countries will only accept a form of selective action which could be taken with the consent of the exporting countries concerned, and with the approval of a committee overseeing the code's applications.

Developing country representatives here expressed sharp disappointment at the EEC attitude.

EEC representatives said their position was supported by a wide cross-section of industrialised countries, including the Scandinavians. But the U.S. is known to be disappointed at the failure, because it believes the absence of a safeguards code could result in a move away from the more liberal world trade.

The EEC will thus continue to apply the existing GATT Article 19 in which it claims there is a loophole allowing selectivity, and which it says has in the past been used by many industrialised countries including non-EEC members.

Community negotiators say that they are willing to continue talks so that a new safeguards code may be concluded later this year. It could then be added to the Tokyo Round package.

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£ in New York

—	April 4	Previous
Spot	$2.0695-0705	$2.0655-0665
1 month	0.42-0.38 dis	0.32-0.27 dis
3 months	0.65-0.60 dis	0.59-0.54 dis
12 months	1.45-1.30 dis	1.30-1.15 dis

Dockers block Dunlop material in protest at Speke closure

BY NICK GARNETT, LABOUR STAFF

DOCKERS AT Southampton and Liverpool began last night blacking all materials to and from Dunlop's British factories, according to union officials.

Car workers at Ford's Halewood plant also took sympathetic action by refusing to fit Dunlop tyres or new vehicles—affecting 5 per cent of the tyres fitted at the factory.

The effects of a co-ordinated campaign being organised in support of workers fighting Dunlop's planned closure of its Speke plant on April 19 could spread quickly.

Tomorrow the unofficial national port shop stewards committee will be urged by its senior members to extend the action to all main ports.

There was some confusion yesterday about the effectiveness of union action. At Southampton port employers said they had not been notified of the blacking decision at their docks. At Liverpool two container-loads of tyres were declared "black." But Dunlop said they were Czech-made and had nothing to do with Dunlop.

Action could also spread in the motor industry. Production workers at Vauxhall's Ellesmere Port factory on Merseyside have been requested to stop handling Dunlop tyres. Shop stewards were discussing the position with management yesterday, but Dunlop products were being handled normally.

The 11 unions at Dunlop are calling a one-day strike on April 11 throughout the company's UK operations and are seeking sympathetic support from European unions. During the last one day stoppage when half the UK workforce walked out, there was some backing from workers in Dunlop's European plants, according to the unions.

Mr. Archie Todd, chairman of the engineering shop stewards committee at Speke, said yesterday that on April 11 pickets would be mounted at motor factories throughout the country to win blacking support from vehicle production workers.

Dunlop intends to close Speke, with a loss of 2,400 jobs, and to reduce the workforce at Fort Dunlop, Birmingham, by 500, and at Inchinnan, Glasgow, by 250 as part of a rationalisation programme.

The company said yesterday that any effects of union blacking appeared so far to have been very patchy.

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New York State cancels nuclear order

BY DAVID LASCELLES IN NEW YORK

NEW YORK State power officials decided yesterday to cancel construction of a $3bn nuclear power plant and build a coal-fired one instead. Among the reasons they cited was last week's accident at the Three Mile Island reactor in Pennsylvania. The station was to have been built by Babcock and Wilcox of the U.S., the same company that constructed the Three Mile Island plant.

The decision is the first since the accident cast a cloud over the future of nuclear power in the U.S. Although other factors, such as cost overruns, contributed to the cancellation, the accident was clearly a significant factor and in the long run can be expected to add strength to the anti-nuclear movement.

The decision was made by the New York State Power Authority, which supplies power to several customers in the New York City area, including the subway. The plant was to have been a 1,200 MW facility located in Greene County, about 120 miles north of the city.

According to the authority, there was already concern about delays and accelerating costs on the project before the Three Mile Island accident.

The original cost estimate had been increased from $1.8bn to $3.1bn and the start-up date had been put back from 1986 to 1989. Mr. Frederick Clark, the authority's chairman, recommended last month to the trustees responsible for the authority's operations that they consider alternatives. They took no action at the time, however.

At yesterday's meeting, they reconsidered Mr. Clark's recommendation and voted for the cancellation. In a statement afterwards, Mr. Clark said the Three Mile Island accident had convinced the trustees that it would "not be prudent to continue." The incident mandated caution, he said.

The authority now proposes to seek permission to build a coal-fired plant, and will try and sell off the nuclear plant site, where excavation work, but no actual construction, has begun.

Meanwhile, at the Three Mile Island plant itself, engineers came closer to their planned "cold shutdown" and life in the surrounding localities returned to normal. However, the Nuclear Regulatory Commission, in an initial finding, says that human error compounded the reacter's mechanical problems and weaknesses in design.

Iran goes ahead

Iran is to complete all of its four nuclear power plants now under construction. The statement runs contrary to earlier official indications that two French plants at an early stage of construction would be cancelled. Back Page

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Initial contracts signed for two UK stations

BY DAVID FISHLOCK, SCIENCE EDITOR

NUCLEAR CONTRACTS have been signed between the UK electricity supply industry and the Nuclear Power Company, for work on two nuclear stations, at Heysham in North-West England and at Torness in Scotland.

These contracts are forerunners of these for the construction of four "nuclear islands" for the two 1,300 MW stations, together worth about £600m, expected to be signed late this year.

The Nuclear Power Company is the operating arm of the National Nuclear Corporation, which is in charge of commercial nuclear reactor design and construction.

The Central Electricity Generating Board and the South of Scotland Electricity Board have agreed to produce a single design of reactor, based on their Hinkley and Hunterston designs of advanced gas-cooled reactor, for the two stations.

Construction of the stations is expected to start early next year. Site preparations are already underway at both sites, although work at Torness—a greenfield site—is further behind and will require construction of a sea wall.

Opponents of nuclear energy have been protesting about work at Torness, since the Government has refused to order a public inquiry, on the grounds that the type of reactor planned is not new.

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Six-point plan proposed for France

BY DAVID WHITE IN PARIS

LESS DEPENDENCE on foreign oil, more competitive industry, a stronger farm sector, new job opportunities, more efficient social services and a more human environment—these are the six "options" being proposed for France in the 1980s.

The General Planning Commissariat's report on the guidelines to be followed in France's 1981-86 national plan was adopted by the Cabinet this week, and now goes to the Economic and Social Council, which includes representatives of unions and employers.

A Bill based on these guidelines will be put to Parliament in early summer, setting the stage for detailed committee work on the plan itself, which the National Assembly has to approve by the end of next year.

The report, presented yesterday by M. Michel Albert, Planning Commissioner, closely follows M. Raymond Barre's Government line to date, in the importance it gives to France's foreign trade balance, control of inflation and defence of the franc.

Growth targets have been scrapped. *Last year, half way* through the current seventh plan, for 1976-80, the Commissariat abandoned its original aims for a 5.5-6 per cent annual growth rate. *For the Eighth* plan, it aims simply for "as high a growth rate as possible," but stresses that growth must be regular.

Balanced *growth*, the report says, must go together with *maintenance* of France's foreign payments position, a stable currency, reduction of its budget deficit and a "pause" in the expansion of public spending, and a better distribution of income.

Energy takes pride of place in the six lines of action proposed in the report. It urges *intensified* fuel economy, a wider range of energy sources and supplies, perseverance with nuclear plans, and development of new kinds of energy.

In the industrial sector, the report recommends action to strengthen company finances, encourage the development of small-scale enterprises and par*ticularly to steer more funds* into innovation and research.

The focus in the farm sector is on the need to adapt production structures, to improve ex*port mechanisms and to reduce* dependence on food imports.

Prospects for job creation, it says, will be strongest in the services sector, where initiative needs to be encouraged. The report opposes trying to solve the employment crisis by across-the-board reductions in working hours, but says that over 1m workers would be willing to change to part-time jobs.

Expressing *concern about* France's declining birth rate, the report proposes greater emphasis on social aid for the family. But this requires bringing the cost of health and other services under control.

Finally, the report urges fresh efforts to improve and protect the environment, backing up reforms which, since 1975, have given France "one of the world's most advanced sets of laws in this field." It calls for new *urban development policies*, improved housing conditions, control of pollution, noise and waste, and greater use of public transport—and warns that such decisions have a more *last*ing effect than others in determining the kind of country France will become.

DANISH ENERGY POLICY

A life-line from North Sea oil

BY HILARY BARNES IN COPENHAGEN

DENMARK is one of the *few* members—if not the only member — of the International Energy Agency to have translated the IEA's appeal for a 5 per cent reduction in oil consumption into effective action.

As of April 1, temperatures in public buildings must not exceed 20 degrees C, and oil fires are subject to compulsory inspection and adjustment to ensure optimum efficiency. *Display lighting in shop* windows must be switched off at 11 pm, and speed limits were reduced in the middle of last month from 55 (90) to 50 miles an hour (80 kph) on ordinary roads and from 70 (110) to 60 miles an hour (100 kph) on motorways.

The swiftness of the Danish reaction is easily explained. In 1972, Denmark was entirely *dependent on imported energy* and 93 per cent of the energy consumed was oil-based. No country was more vulnerable to sudden supply shocks. Some progress has been made with diversifying energy supplies *since then, but in 1978* the country was still dependent on oil for 78 per cent of its energy requirements.

The reduction was obtained by switching from oil to coal for firing power stations. Imports of coal and coke have increased from 2.3m tonnes in 1972 to 6.2m tonnes last year, and 60 per cent of electricity is now produced from coal.

There is reason to expect, however, that within the next few years the country's dependence on imported energy resources will be substantially reduced. *Small quantities of oil* have been landed from the Dan Field in the Danish sector of the North Sea — about 500,000 tons in the best year so far.

> Denmark is one of the few countries to have effected a five per cent decrease in oil consumption. Oil imports are expected to fall further as offshore reserves are trapped

This is only a fraction of total oil and oil products imports, which came to 18m tonnes in *1978* (compared with *21.3m in* 1972), but in an energy White Paper published last week the Government said there was a reasonable expectation that the Danish sector would in future be able to yield 3.5m to 4m tonnes of oil a year.

The Government and the Folketing (Parliament) are also about to make a decision to use in Denmark the gas so far found in the Danish sector. If the White Paper's projections for gas prove correct, the North Sea will be able to provide around 6.5m to 7.5m tonnes of oil equivalent, roughly 25 per cent to 30 per cent of the expected energy con*sumption in 1995 of 247m giga*calories or 35 per cent to 40 per cent of 1978 consumption (10m giga-calories equal 1m tonnes oil equivalent).

There is, however, an element of speculation in the *Government's estimates for* North Sea yield, which are based on an analysis of actual and potential recoverable reserves by the U.S. consultants De Golyer and MacNaughton.

They estimate that there are 361m tons of proven reserves, *of which 49m* are recoverable, and another 79.9m possible reserves of which 14m tons are recoverable. But with an unchanged rate of finds in structures so far seismically analysed there may be another *40m tons of recoverable oil* reserves in the Danish sector, the consultants said, as well as an extra 60bn cubic metres of natural gas in addition to the 110bn - 120bn cubic metres recoverable from finds made so far.

The Danish Underground Consortium (A. P. Moeller, Chevron, Shell and Texaco), which has exclusive rights to the *Danish sector, is slightly* more cautious. It estimates that it will be able to continue producing 500,000 tons of oil a year from the Dan Field, about 2m tons a year from the Gorm Field, which is now under development, and another 500,000 tons from the Skjold Field, where a decision to develop is still awaited. This gives a total flow of 3m tons a year *for a peak period* in the mid-1980s.

The Danish Underground Consortium's estimate of recoverable gas reserves so far found is about 75bn cubic metres. It and the state-owned *oil and gas distribution company*, Dansk Olie og Naturgas, recently signed an agreement for the delivery of 55bn cubic metres of gas in the period *1984* to 2009, with deliveries of 2.5bn cubic metres a year in *the period 1986 to 2002*.

The Government's overall energy policy is designed to reduce dependence on oil to diversify sources of supply, and *to limit* consumption. North Sea oil and gas, and the switch from oil to coal in the power stations are the most important factors on the supply side, but the White Paper said the Government hopes to be able to take a decision of principle on the development of nuclear energy next year. The earliest date at which nuclear plants could become operational is 1990.

French to maintain nuclear programme

By Terry Dodsworth in Paris

THE FRENCH Government has decided to maintain its long-term nuclear power programme, despite the anxiety after the accident at the Three Mile Island power station in the U.S.

The decision will keep the industry on course for its target production capacity of just over 40,000 MW by 1985. This would supply about 55 per cent of France's electricity, and reinforce the Government's policy of reducing dependence on oil.

After some slippage last year, in the nuclear programme, the Government last February announced that plants would be *built in the north* and in Lorraine. France has 15 stations in service, 27 under construction and will start five more this year.

Explaining the measures, M. Andre Giraud, the Industry Minister, said there was no serious alternative to nuclear power for France's future energy.

However, it is still felt that *France's energy supply will be* delicately balanced until 1982. Partly because of this, and partly because of a desire to diversify energy resources, the *Government has authorised* the go-ahead on two gas turbines in Brittany, and is giving consideration to a coal-fired station in the west of France.

Meanwhile, France's electricity supply utility, the EDF, *has been strongly criticised in* a report on the four-hour power cut last December.

The special commission set up by the Industry Ministry criticised the EDF on four main counts: that the management was too complacent; *that bad* weather was not taken sufficiently into account; that staged "preventive" cuts to clients were not implemented; and that too much reliance was placed on the ability of the national supply network to come to the aid of weak areas.

The report concludes that the power cut, which virtually paralysed France could have been avoided.

Turkey-IMF deadlock may ease

By Metin Munir in Ankara

DR. WALTER Leisler-Kiep, the West German co-ordinator for the West's multinational emergency aid programme for Turkey, left Ankara yesterday, after a 24-hour stay.

He is trying to find common ground for resumption of the dialogue between Turkey and the IMF, which has been suspended since last December.

This dialogue is vital, because unless Turkey accepts IMF con*ditions for correcting the ills of* its economy, no credits are likely to come from Western states or banks.

Turkish officials say a compromise may be found to the Turkey-IMF deadlock over devaluation.

AP reports from Ankara: The U.S. plans to increase its aid to Turkey to $500m next year, in view of the country's economic *crisis and its enhanced strategic* value after the upheaval in Iran, it was learned here yesterday.

Andreotti Cabinet fails to agree on election date

BY RUPERT CORNWELL IN ROME

IN AN atmosphere of undignified confusion, Sig Giulio Andreotti's caretaker Cabinet failed last *night to decide the* precise date of the forthcoming General Elections here, due at the latest on June 10.

Under the Constitution, the poll has to be held not earlier than 45, and not later than 70 *days after dissolution of the two* Chambers of Parliament, announced by President Sandro Pertini on Monday.

Until 48 hours ago, it had been taken for granted that the elections would be held over *the weekend of June 9 and 10*, alongside the direct elections to the European Parliament.

But Justice and Interior Ministry officials have found that legal and constitutional difficulties block such a combined vote. These snags have, predictably, been exploited for political ends.

The Government will make another effort to decide the *issue next Tuesday. By then, it* will either have succeeded in breaking the political deadlock, or dates other than June 9 and 10 will have to be chosen. The most likely alternative is considered to be June 3.

This somewhat ridiculous denouement to a nine-week crisis follows the discovery that, to hold the two elections simultaneously, the Government *would be obliged to launch a* decree law, requiring approval from Parliament, within 60 days.

Even if a Parliament already dissolved could be recalled to approve such a measure, the way would be open to obstructionism and filibustering by the left-wing Radical Party and the extreme Right, both of whom said yesterday they were opposed to the double election.

If the Government pushed on and ordered the joint vote, the election result could be challenged on a technicality, and possibly invalidated, experts say.

This impasse is a considerable embarrassment for Sig. Andreotti, and a big worry for the Socialists, whose entire strategy *has been* to try to ensure that their expected stron gshowing in Europe spills over into national elections.

The Prime Minister's main tactical concern has been to spin out proceedings so that the dissolution would just fall within the 70 days before June 10.

It is also widely believed that the Radicals have been tacitly encouraged in their defiance by factions of the Christian Democrats, strongly opposed to holding both elections together, and *none too well disposed towards* Sig. Andreotti.

To hold the two polls separately would maen that a possible saving of L150bn (£85m) of *administrative expenses* incurred by the Government would be lost.

Central banker given bail

BY PAUL BETTS IN ROME

SIG. MARIO SARCINELLI, the joint Deputy Director-General of the Bank of Italy arrested 12 days ago in connection with judicial investigations into allegedly irregular loans granted to Societa Italiana Resine (SIR), *one of* Italy's major chemical companies, was released on bail yesterday.

However, under the terms of Italian legislation related to public officials on bail, Sig. Sarcinelli has been temporarily suspended from office.

The Bank of Italy has vigorously denied the charges against Sig. Sarcinelli and Dr. Paolo Baffi, the highly respected central bank Governor, which specifically relate to allegations that the two senior officials failed to notify the judicial authority *about the findings* of a central bank inspection into subsidised credits granted to SIR by the Sardinian special credit institute, Credito Industriale Sardo (CIS).

The unprecedented initiative *by the magistrates involved in* the protracted SIR inquiries which opened some 18 months ago, has provoked a major controversy between the Italian political and economic establishment and the judiciary.

Recovery for W. German orders

BY ADRIAN DICKS IN BONN

NEW ORDERS to West German manufacturing industry recovered briskly during February from the effects of the steel industry stoppage during January, increasing by 5 *per cent on a month-to-month* basis.

The new orders index, according to preliminary figures issued by the Federal Statistical Office yesterday, reached the high level of December, when *it was boosted* by several very large orders.

The Economics Ministry said yesterday that large orders had played a part in pushing up the February totals, but the climb in new orders was broadly based. There was little difference in the rates of increase of export and domestic new orders.

The figures show that capital *goods, often seen as the key* category, and semi-manufactures both registered a healthy 5 per cent gain. New orders for consumer goods, on the other hand, grew by only 2 per cent.

On a year-to-year basis, new orders during the two months January and February were up by 8.5 per cent overall, with export orders up 13 per cent and domestic orders by 7 per cent compared with the similar period of 1978. The capital goods sector showed a healthy 12.5 per cent gain.

Provisional February balance-of-payments figures issued by the Bundesbank yesterday showed a deficit of DM3.03bn (£777m) for the month, caused by the continued outflow of short-term funds on the capital account. In January there was a DM 2.23bn deficit.

However, capital outflows on both the long-term and short-term accounts were in themselves substantially less than during January.

Pinto heads for pay showdown

BY JIMMY BURNS IN LISBON

THE GOVERNMENT of Sr *Carlos Mota Pinto, Portugal's* Prime Minister, appears to be heading for another confrontation with Parliament, less than two weeks after the defeat of its Budget and short-term economic plan.

This emerged yesterday when the Government announced it *intended to push ahead with* plans to hold salary increases this year to 18 per cent.

The original proposals stipulating the ceiling was refused ratification by Parliament earlier this week when the *Socialists* and Communists combined to vote against it. The centre-right Social Democrats (PSD) and the Christian Demo*crats (CDS)* abstained, saying they also objected to the 18 per cent proposal.

Yesterday's Cabinet statement accused Parliament of "causing hardship to Portuguese workers" since a lack of adequate legislation was preventing pay claims from being *settled*.

The Government's wages policy pegs this year's salary increases to an inflation target of 18 per cent, although this assumption is now beginning to be challenged.

According to figures released by the National Institute of Statistics, *consumer prices* in Portugal rose by 1.8 per cent *in February, representing* an annual rate of 22.2 per cent. Economists here feel that this pattern is unlikely to change substantially.

THE FIGHT TO LEAD THE SOCIALISTS OF FRANCE

Mitterrand is set to win

BY ROBERT MAUTHNER IN PARIS

M. FRANCOIS MITTERRAND is almost certain to be re-elected leader of the French Socialist Party at its three-day National Congress which opens in Metz, Eastern France today.

After the deeper rifts in the party which appeared following the Socialist - Communist alliance's defeat in last year's General Election, M. Mitterrand has recently made up much of the ground he lost to his main rival, M. Michel Rocard, 48.

Last weekend, 40 per cent of the Socialist Party Regional Federations voted in favour of M. Mitterrand's resolution to be submitted to the Congress.

Only 20 per cent backed M. Rocard's motion, with some 14 per cent supporting the motion of M. Jean-Pierre Chevenement, leader of the party's Left-wing.

Assured of another 8 per cent of the votes cast for a separate motion tabled by M. Gaston Deferre, Mayor of Marseilles—one of M. Mitterrand's most powerful supporters—the party leader needs only a few extra votes to win an absolute majority.

The simple arithmetic of the likely outcome of the voting tells only part of the story and masks serious divisions in the party over basic strategy.

M. Mitterrand's avowed objective of winning some consensus will be extremely difficult, if not impossible to achieve.

The party leader's thesis that the Socialists' only hope of gaining power rests in continuing an alliance with the Communists, despite all the differences between the two parties, has won him the grudging support of M. Chevenement's Left-wing group.

M. Rocard and his supporters have different views on the subject, but continue to pay lip-service to the Union of the Left.

M. Rocard, one of the chief critics of the Communists' nationalisation and economic programme — disagreement about which lost the Left the last General Election—is a firm defender of a mixed market economy.

He does not like to be branded a traditional Social Democrat, but believes that the Socialist Party should make a frank break with Marxist ideology and affirm its own identity.

The results of the first round of voting in the last General Election, not to speak of the recent local elections in which the Socialists polled 20 per cent, show it is now the country's biggest single party and can stand on its own feet, if necessary.

Occupying the middle ground is M. Pierre Mauroy, Mayor of Lille and president of the powerful Nord and Pas de Calais Federation. He basically supports M. Rocard's views, but wants to find a compromise between the latter and M. Mitterrand.

The dilemma facing the party leader is whether he should go it alone and attempt to impose his views on the conference, as so often in the past, or whether he should try to reach a compromise agreement.

If he chooses the first solution, the split in the party is bound to get worse. If he plumps for the second option, the policy arguments within the leadership are likely to be no less fierce than before.

M. FRANCOIS MITTERRAND

Socialist victory in Greenland elections

By Hilary Barnes in Copenhagen

WEDNESDAY'S election to Greenland's first Parliament, the Landsting, was a victory for the moderate socialist Siumut (Forward) Party. The preliminary results indicated that the party will control 11 or 12 of the 21 seats.

The Parliament will assemble when Greenland home rule comes into force on May 1. A home-rule agreement was approved by a big majority of the 29,000 electorate in January this year.

The only other party represented in the Landsting will be Atussut (the word means links, that is, with Denmark). With 85 per cent of the votes counted, Siumut had 44.9 per cent and Atussut 43.6 per cent. Two other parties, a Marxist-Leninist independent party and a workers' party, failed to win any seats.

The Siumut victory increases the chances that Greenland will leave the EEC. Siumut leaders have demanded as a condition for staying in the EEC that Greenland be given a 100-mile exclusive fishing zone.

The Danish Government has repeatedly stated that Greenland will be free to leave the EEC if it wishes to. Greenland automatically joined the EEC with Denmark, of which it was an integral part. But, in the 1972 referendum, the Greenlanders voted massively against membership.

If the Greenlanders decide to leave, they will probably arrange a referendum first. This will not take place until the Danish Government has completed negotiations with the EEC designed to meet some of the Greenlanders' special requirements.

Chinese celebrate riot anniversary in peace

BY JOHN HOFFMANN IN PEKING

THOUSANDS OF people gathered in Peking yesterday to celebrate the annual Ching Ming (Honour the Dead) festival and the third anniversary of the Tienanmen riots of 1976.

Foreign observers watched closely in the expectation that dissatisfied members of Peking's democracy movement might use the occasion for defiant demonstrations against the leadership.

Several arrests have been made in recent days of people alleged to be disobeying a Government edict limiting the right to express dissident views in wallposters and street meetings. It was thought that civil rights activists might protest about the arrests.

However, uniformed and plainclothes security officers were on the streets in force and incidents were few.

At Tienanmen Square, in the centre of the city, a foreign resident reported seeing a woman hustled away by security men after she had displayed a critical poster.

About a mile away at the the poster-covered Wall of Democracy, a woman carrying a baby tried to hand out leaflets claiming that her husband had been wrongfully arrested. A security man confiscated the leaflets but left the woman alone.

In 1976 riots broke out when hundreds of thousands of people massed in Peking to honour the late premier, Prime Minister Mr. Chou En-lai. Police, under orders from a leadership influenced by "the gang of four," cleared the demonstrators away by force. Many citizens are believed to have been killed and thousands of arrests were made.

Yesterday, by contrast, most activity in Tienanmen Square was created by disciplined columns of children who marched, beat drums and laid wreaths.

Some adults displayed banners and scrolls of poems commemorating Chou En-Lai and victims of the 1976 riots. Observers said Government moves in recent weeks against liberal activities now labelled "ultra-democracy and anarchy" had clearly clamped the lid on open dissidence.

Australian truck action widens

BY JAMES FORTH IN SYDNEY

ROAD BLOCKS set up by Australia's truck drivers protesting against new, higher, road taxes have spread to all mainland States except Western Australia. The self employed truck and transport drivers are blocking major highways with their vehicles in New South Wales (NSW), South Australia, Victoria and Queensland.

The State capitals are virtually under siege with major routes blockaded by trucks although, in most cases, the drivers are letting private and emergency vehicles through. But the blockades caused traffic disruption in the cities as the drivers concentrated on preventing road transport vehicles through. This is already leading to shortages.

The dispute began in NSW with drivers protesting over what they claim are too high road taxes and too low freight haulage charges. But the situation escalated after the drivers walked out of a meeting yesterday with Mr. Peter Cox, the NSW Minister for Transport, claiming that the Transport Workers' Union (TWU) had tried to "muscle in" on the talks, which were aimed at settling the dispute.

Following the breakdown one of the drivers' negotiators, Mr. Colin Bird, declared: "The whole bloody nation is going to stop. That's it."

In NSW more than 1,000 trucks are on the Hume Highway south of Sydney in a 30-mile stretch near the country town of Yass. The drivers are threatening to extend the blockade to the national capital, Canberra.

At this stage the blockades have not spread to Western Australia and the Queensland Government has already decided to abandon the tax. But truck drivers are blocking the State's four major highways although they have lifted bans on two other major entrances into the State capital, Brisbane.

Now the NSW Government will have to decide whether to invoke emergency legislation rushed through after the blockade began. It substantially increases fines for obstructing traffic and empowers the police to forcibly remove vehicles.

The NSW Minister for Industrial Relations, Mr. Pat Hills, said it was likely the legislation would be proclaimed.

Moscow clamps down on literary group

BY DAVID SATTER IN MOSCOW

SWEEPING SANCTIONS have been imposed on the writing of 23 Soviet literary figures in retaliation for their participation in compiling the "Metropol" almanac, which was intended as a challenge to the Soviet literary censorship.

The authors include such popular Soviet writers as the novelists Vassily Aksyonov, Fazil Iskander and Andrei Bitov, and the poets Andrei Voznesensky and Bella Akhmadulina, as well as many younger and less well-known writers.

All publication of the work of these writers has been cancelled and they have been barred from official literary functions. Some authors have been deprived of contracted literary work and all mention of their names has been dropped from the official press.

Metropol was the title given to an anthology of original prose and poetry works by the 23 authors. It was submitted to the Soviet Writers' Union on January 18, with the unprecedented demand that it should not be censored, but published exactly as written.

The Writers' Union said this was impossible and the Metropol authors were accused of trying to embarrass the Soviet Union and stir up anti-Soviet feeling abroad. There are now plans to publish Metropol in the U.S.

About half the Metropol authors were members of the Soviet Writers' Union. None of these writers has been expelled but, according to one view, the Soviet authorities are now acting to make it impossible for the Metropol writers to earn a living.

Production or publication of the authors' works is being cut off. Mr. Aksyonov, the principal editor of Metropol, for example, wrote the libretto for a musical which was cancelled and the screen play for a film, which was also cancelled. A completed film, for which Mr. Aksyonov wrote the screenplay, has been withheld.

At the same time, publication of Mr. Aksyonov's prose work has stopped, including a collection of short stories which was about to be published by the Sovetsky Pisatel publishing house and a short story which was to have appeared in March in Raugava, a Latvian literary journal.

Bella Akhmadulina was deprived of a chance to speak at an official memorial meeting for her teacher and close friend, the late Pavel Antokolsky, and, although she is a leading translator of Georgian poetry she was prevented from appearing at an official evening of Georgian poetry.

E. Germans curtail use of D-Mark

BY LESLIE COLITT IN BERLIN

IN AN attempt to curtail the growing use of West German Deutsche Marks as a second currency in East Germany, the East German Government has decreed that citizens will have to convert them into special coupons at the state bank to buy Western goods in the chain of Intershops. Street-long queues have developed outside the Intershops in every large city and town in East Germany, as the Government says East Germans have until April 16 in which to buy Western products directly for Deutsche Marks received from relatives and friends in West Germany.

The use of Deutsche Marks to obtain scarce goods and services in East Germany has become a major problem for the East German Communist leadership, as the Deutsche Mark was regarded as "real" money, while East German marks were seen as good enough to buy basic necessities and to pay the rent.

A member of the ruling East German Politburo said recently that the Intershops annual sales amount to some DM 700m (£180m).

One result has been that East Germans who need a repairman had little chance of seeing one unless they paid at least part of the bill, in advance, in West German currency.

The Government announcement in all East German newspapers says citizens will obtain non-transferable coupons in various denominations for their Western currencies. These are presumably to be made out in the buyer's name, thus preventing their use as a substitute currency for the Deutsche Mark. The fact that buying goods at the Intershops will no longer be an anonymous activity is bound to make dealings in Deutsche Marks more difficult for largely law-abiding East Germans, although not impossible.

OVERSEAS NEWS

Sadat plays down Arab action

BY ROGER MATTHEWS IN CAIRO

PRESIDENT SADAT reacted mildly yesterday to the proposed Arab political and economic boycott of Egypt, announced in Baghdad last weekend, and appeared careful to avoid further alienating the more moderate countries such as Saudi Arabia and the Gulf States.

In contrast to his previous vigorous responses to the actions of the so-called "rejectionist" States, Mr. Sadat said of the withdrawal of Arab ambassadors from Cairo: "If they wish to go, then we wish them godspeed. If they wish to come back, then we will say welcome."

Mr. Sadat denied that by signing the peace treaty with Israel he had split the Arab world. Speaking by implication to Saudi Arabia, he said that if some countries chose to ally themselves with the radical Ba'ath parties of Syria and Iraq, with Marxist South Yemen, or with "the lunatic in Libya," then Egypt would have to say "goodbye" to them, but it would not have been Egypt which caused the rift.

President Sadat appealed directly to the Palestinian people to participate in the process that would bring autonomy for them on the West Bank and Gaza Strip, while warning that he would retaliate fiercely if guerrilla groups attempted to attack Egyptian ambassadors abroad.

The Palestinians had now been placed on the start of the road to autonomy, claimed Mr. Sadat, who then spoke at length about the sacrifices that Egypt had made to achieve this for them. The peace treaty with Israel, he said, was the cornerstone to a comprehensive settlement and he contrasted this achievement with the "massacres of Palestinians in the past" by both Jordanian and Syrian troops.

Much of the President's speech of nearly three-hours was spent answering domestic criticism of the treaty. Two statements, one issued by four members of the Revolutionary Command Council, set up after the 1952 revolution, and the other by 13 members of the People's Assembly, had accused Mr. Sadat of signing a separate peace that was a sell-out of Arab interests.

The President said he could not understand such criticism as he had not abandoned any of the principles that he laid before the Israeli Knesset in November 1977. Egypt insisted that the Palestinians should be given full autonomy, that Arab Jerusalem should be returned, and that Israel should withdraw from all occupied territories.

The treaty was not a final solution but was the start of the peace process, he insisted.

Mr. Sadat also took sharp exception to suggestions that the treaty had been signed under United States' "auspices" or for material gain. The signing took place in "the presence" of the U.S. and Egypt would always remain free and independent, he said.

But the military equipment the U.S. was to provide would enable Egypt to make up the ground it had lost since the 1973 war with Israel.

President Sadat was given a rousing welcome by the 360 members of the People's Assembly, who later heard a detailed explanation of the peace treaty from the Prime Minister, Mr. Mustapha Khalil. The Assembly is expected to ratify the treaty in the next 24 hours, after which the documents will be exchanged with Israel.

Two explosions hit Nicosia

TWO EXPLOSIONS, apparently directed against Israeli and Egyptian targets, rocked central Nicosia yesterday. The Cyprus Government issued a statement strongly condemning the attacks.

The first explosion damaged the entrance to a building housing the Israeli Embassy in Cyprus. The second shattered the windows of a tourist office which acts as the official agent in Cyprus of Egyptair, Egypt's national airline. There were no casualties. The Israeli Embassy was not damaged.

Cyprus' relations with Egypt are strained and moves to restore them have failed. Cairo severed diplomatic ties 13 months ago, after a clash at Larnaca Airport between Egyptian commandos and Cypriot troops. Agencies.

Grey areas in the sanctions

BY LESLIE MITCHELL IN KUWAIT

ARAB SANCTIONS against Egypt agreed at Baghdad last week may cause some hardship to the Egyptian Government but are not as severe as was first thought, it is believed in Kuwait.

New aid commitments from Arab governments and aid agencies are banned but disbursements under existing commitments, such as the enormous project for expanding the Suez Canal, will be allowed to continue. A senior Kuwaiti official has pointed out that new commitments and loans to the Egyptian government could still be made secretly, though he stressed that Kuwait would not do this.

Another financial adviser here noted that an Arab government could arrange a loan for Egypt through, for instance, a large U.S. bank with which it had deposits.

A four-man committee of Kuwait's Council of Ministers is to produce guidelines for the implementation of the sanctions. One of the grey areas which will have to be clarified is the question of an agreement in principle from some Arab banks, including Kuwaiti institutions, for a $250m loan to Egypt. There is no firm commitment for the loan, whose managers include the Union of French and Arab Banks (UBAF) and European-Arab Bank.

The sanctions do not cover the use by Arab ships of the Suez Canal, nor by Arab oil producers of the Sumed pipeline linking Suez and the Mediterranean, even though the provision of crude oil to Egypt (which has net self-sufficiency in oil) is banned. But there is some fear here that President Sadat may close the use of the Suez Canal to ships of states adhering to the boycott.

The resolutions of Baghdad do not affect private sector investments in Egypt. Sheikh Nasser Sabah al-Ahmed, head of Gulf Fisheries and Gulf International, which have big investments in Egypt, has said in an interview that he is not worried about his investments in Egypt. "There is absolutely no intention to cancel them."

The effect of the Baghdad resolutions on such institutions as the Kuwait Real Estate Investment Consortium, which is part government-owned is not yet known but one official said "They are doing business in Egypt with the pirvate sectors so I don't think they will be affected.

Bhutto's followers fight police

BY CHRIS SHERWELL IN ISLAMABAD

THOUSANDS OF angry followers of Mr. Zulfikar Ali Bhutto, the hanged former Prime Minister, clashed with armed and stick-wielding police in street confrontations lasting several hours yesterday.

The demonstrations, in Rawalpindi, Lahore, and Karachi followed memorial prayers for Mr. Bhutto called by leaders of his Pakistan People's Party.

Thousands turned up for the ceremonies in public parks in the three cities. When they shouted slogans and became unruly, scores of steel-helmeted police moved in with canes and tear-gas.

As women wailed or taunted the police, the crowds moved to the streets and clashes became more violent. Youths threw stones, and burned vehicles. Scores of people were arrested in each city.

The disturbances represent the most serious threat Pakistan's martial law Government has faced since arresting Mr. Bhutto in September 1977.

Another prayer ceremony has been called for today, the most important day of the Muslim week.

Disturbances were also reported last night from other parts of the Punjab, particularly in Faisalabad, an industrial town. Prayer ceremonies were held throughout Sind, Mr. Bhutto's own province. Other reports of trouble came from Nawabshah, Khairpur and Sukkur.

Yesterday's demonstrations may be only a foretaste of the trouble to come, but leaders of the Pakistan People's Party who are still free are not turning out to lead the protests. Yesterday the leadership came from the women.

During the riots, women threw stones, clustered round the police to release men who had been arrested, and demanded to be shot when they were themselves seized by police.

Most had something to say against the military Government. "Zia's a dog," they shouted. "It's political revenge."

"There's no humanity in this country," one man insisted. All declared their love for Bhutto, who is already on his way to becoming a legend.

In one ominous development in Rawalpindi, toughs from the extremist Islamic Brotherhood, whose influence on the Government is regarded as great, shouted, "Long live Zia." They carried sticks, and at one intersection where buses were burning, directed traffic and moved the crowds, acting as police.

U.S carrier and tanker collide

SINGAPORE — The U.S. aircraft carrier Ranger and the fully-laden Taiwanese oil tanker Fortune, 99,000 tons, collided in the South China sea yesterday. A four-mile oil slick was reported to have formed.

No casualties were caused by the collision, which occurred off the Malaysian coast about 55 miles north-east of Singapore.

The Philippine Government has brought charges against Shou Dah-Shing, a Taiwanese captain and his 17 crew for bringing more than 2,300 Vietnames refugees to Manila aboard the Tung An, a Hong Kong-based cargo ship.

If found guilty of the charges they are liable to jail terms of 10 years and a fine of about $1.333 each.

The Tung An has been stranded in Manila Bay since it arrived on December 27.

The men are charged under a 1940 law that prohibits entry to the Philippines of any alien without the proper immigration documents.

More than 100,000 refugees who fled Burma into neighbouring Bangladesh nearly a year ago have been repatriated under an agreement reached between the two countries, officials reported in Rangoon yesterday.

Some 150,000 refugees would be repatriated before the monsoons start in late May, they estimated. No time-limit was set for the repatriation programme. Agencies.

Iran adopts new code for trials

BY SIMON HENDERSON AND ANDREW WHITLEY IN TEHRAN

AFTER A break of three weeks, Iranian revolutionary courts are to resume trials of former officials and others connected with the Shah's régime, but new procedures are expected to avoid much of the previous criticism over secrecy and summary execution.

The new procedures were made public shortly after Dr. Mehdi Bazargan, the Prime Minister, had told the nation in a broadcast that it must rise above the mentality of seeking revenge.

In the new courts, a three-member bench, headed by a religious judge, will be able to command witnesses to appear. Contrary to previous practice, defendants will be given prior notice of the charges and will have the right to appeal.

The code still only deals with so-called revolutionary offences such as plundering, embezzlement, relations with foreigners and "insulting the honour of the Iranian people."

An estimated 5,000 detainees are expected to be affected by the new system, most of them arrseted by militiamen and held virtually incommunicado since the revolution in February.

It is not known whether the most controversial case, that of Mr. Amir Abbas Hoveyda, the former Prime Minister, will restart. It was the manner of the pre-dawn initial hearings in his trial, at which the charges included "offences against God," that prompted the public outcry and stoppage of all trials.

S. Africa prepares for 'total war'

BY QUENTIN PEEL IN CAPE TOWN

A MAJOR increase in naval defence spending, the overhaul of the air defence system, and the creation of a parachute brigade, are key elements in a defence strategy to counter the "total onslaught" being waged against South Africa outlined in the latest defence White Paper.

The permanet core of the South African Defence Force has also been expanded by almost a third, in spite of a drain of trained men over the past two years.

The biennial review warns that the military threat against South Africa is intensifying "at an alarming rate." It reveals that the State Security Council, co-ordinating 15 interdepartmental security committees, has been reorganised and expanded to develop a "total national security strategy" to counteract the "total threat."

Mr. P. W. Botha, the Prime Minister and Minister of Defence, also proposes a "geo-economic community of interests" among the countries of southern Africa, including "the concept of mutual defnce against a common enemy."

While he warns against the specific threat of Marxist influence in Africa, this, he says, is only part of the interference of international powers—including the Western powers—in the region putting "increased political, economic and military pressure" on South Africa.

The increase in naval spending is a significant element in a defence budget for the coming year of more than R2bn (£1.14bn), but few details are given in the White Paper of what it will be spent on.

The Shackleton—to be retained in service

The naval budget, rising from R111.5m to R127.5m, envisages a decrease in operating costs, but a 29 per cent increase—to R97.2m—in spending on fixed assets.

Although the cancellation by the French of the delivery of two corvettes and two submarines "affected the planned development of the naval force" it had been offset by "the very satisfactory development of local warship construction and related industries, which have delivered a number of patrol vessels for naval service." South Africa's long-range Shackleton reconnaissance aircraft were to be revamped with an extensive refit and modernised equipment, the paper says.

Another indication of the effect of the arms embargo is that changes have had to be made in the defence forces' integrated and computerised logistics management information system "to deal with the effect of embargoes."

In general terms, the White Paper sounds confident about overcoming the embargoes, although the indications, including the fall in air defence spending, suggest that they are proving a considerable hindrance. South Africa "is past the stage where it is only self-sufficient in respect of internal security," it says. "The conventional and advanced technological fields have been successfully entered, and in many cases we have succeeded in moving through initial development and industrialisation phases to line production."

But it points out that achieving a greater degree of local content is no longer enough, and Armscor, the Armaments Corporation of South Africa which co-ordinates all arms manufacture and supply, "must now also become technologically self-sufficient in order that, in the case of a more extensive boycott of components and raw materials, available alternatives and substitutes can be utilised, and that new generations of advanced systems based on local components and raw materials can be developed."

It claims that South Africa is already the foremost arms producer in the southern hemisphere.

Spending on air defence will actually fall by 18 per cent to R74.2m, according to the budget, but modernisation of static air defence radars, and extension of the mobile system, is planned. A new air base was opened in 1978.

Army spending still takes up by far the largest portion of the budget, and is scheduled to increase from R1bn to R1.13bn this year, with a 16 per cent increase on fixed assets. A parachute brigade has been established to provide the army with a "a quick reaction force which may be called up and deployed at short notice," for use in both conventional and semi-conventional actions.

AMERICAN NEWS

Mr. Harold Brown

Failure to sign SALT 'could cost $30bn'

By David Buchan in Washington

THE failure of the U.S. Senate to ratify the proposed SALT II arms treaty could lead the Soviet Union to increase its nuclear arsenal by a third and cost the U.S. $30bn to match this over the next ten years, Mr. Harold Brown, the Defence Secretary warned yesterday.

Speaking to the New York Council on Foreign Relations, he held out the somewhat alarming possibility that without the constraints of a SALT II treaty, the Russians might go ahead and deploy "20 or perhaps even 40 warheads" on their largest intercontinental missiles. SALT II provisions would, it is believed, restrict the number of individual warheads on each missile to ten.

Mr. Brown's speech complemented another "SALT-selling" speech by Mr. Zbigniew Brzezinski, President Carter's National Security Adviser, in Chicago on Wednesday. The Administration is expected to face a tough fight on Capitol Hill to win the necessary two thirds Senate majority for the treaty.

The Defence Secretary dwelt on the consequences of a failure to reach a SALT agreement or of a Senate rejection of it. "Naturally, we do not know what the Soviets would do in the absence of a treaty, but higher strategic system levels are well within their capability.

Like Mr. Brzezinski, the Defence Secretary sought to reassure the doubters about Soviet intentions to stick to arms agreements. The U.S., Mr. Brown said, would be able to check and detect any major Soviet violations of SALT II provisions in enough time to take effective counter-measures.

U.S. wholesale price rise hits 14% annual rate

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THERE WAS no relief from double digit inflation for the United States in March, with the Labour Department announcing yesterday that wholesale prices had risen last month by 1 per cent.

This is the same increase as in February and, taken with the 1.3 per cent jump in January, means that in the first quarter of this year wholesale prices have gone up at an annual rate of 14.1 per cent, seasonally adjusted, the biggest quarterly rise in four years.

Only two hours before the latest figures on the prodneer price index were announced, two senior Administration officials, Mr. Michael Blumenthal, the Treasury Secretary, and Mr. Alfred Kahn, the anti-inflation adviser, had told Congress that little immediate relief from the upward march of the cost of living was in sight.

The figures were announced hours before President Carter was to unveil to the nation his newest energy package, the impact of which, as White House officials admit freely, if painfully, would add to inflation.

Once again food and fuel spurred the rise in the producer price index (successor to the old wholesale price measurement). The food component of the index went up by 1.2 per cent in March, though this was at least under the rises of 1.8 per cent and 1.6 per cent recorded in January and February respectively.

Beef and veal prices once again rose sharply, as did eggs, though fresh vegetables and pork dropped. A glimmer of optimism on the food front could be discerned in the fact that two other sub-indices, measuring wholesale prices at intermediate and crude stages of processing rose by only a modest 0.3 per cent and 0.2 per cent respectively in March, well under recent levels.

On the fuel side, petrol prices went up by 2.9 per cent in March and home heating oil by 5.3 per cent.

But inflation at the wholesale level was prevalent throughout the economy. The price of non-food items went up by 0.9 per cent last month, similar to the preceding three months, while further down the line, at the intermediate and crude stages, the non-food sector rose by 1.1 and 2.1 per cent respectively, more than offsetting the modest increases in food prices.

Car sales boom helps imports

BY JOHN WYLES IN NEW YORK

FEARS OF still higher petrol prices in the U.S. appear to be boosting sales of foreign car imports, which climbed to a record level in March.

Foreign manufacturers captured an estimated 22.5 per cent of the market last month which was, however, unexpectedly strong for the domestic auto companies. As a result, total U.S. car sales soared to an annual rate of more than 12m units, which again confounds expectations of an imminent softening in consumer spending.

Fuel economy has always been a marketing strength for most foreign imports and analysts partly attribute their total estimated sale last month of 250,000 units to rising public concern over petrol prices.

Pump prices of $1 a gallon have appeared in California amid charges that petrol retailers are exploiting the shortages which have appeared in the wake of the Iranian crisis.

Virtually every importer scored solid gains last month, the only exceptions being Fiat, British Leyland, Alfa Romeo and Lancia. Leyland, which is now marketing under the label of Jaguar, Rover and Triumph saw its sales slip 18.9 per cent to 3,723 cars.

The leading Japanese importer, Toyota, halted its declining trend of the past few months and sold 19.7 per cent more passenger cars than in March last year. Datsun's sales were up 20.7 per cent and Honda's a remarkable 75.7 per cent. Volkswagen's sales soared 48.5 per cent and deliveries of its Rabbit small car, most of which are now produced in the U.S., were the highest since the model's introduction in 1975.

March 1978 was an exceptionally good month for the U.S. companies whose sales slipped last month by 2.1 per cent to 864,271 units, a far smaller drop than expected. Their annual selling rate of 9.66m units was the highest since last August and were achieved with the help of strong sales campaigns by both Ford and Chrysler.

General Motors' sales were down 3.1 per cent and its share of the market excluding imports slipped from 56.5 per cent to 56 per cent. Ford's sales were down 6.2 per cent and its market share from 28.9 per cent to 27.7 per cent.

Chrysler's sales were off 0.2 per cent and its market share up a fraction to 13 per cent while American Motors' slide continued with a 28.3 per cent fall and a market share of 1.3 per cent compared with 1.8 per cent a year ago.

Brazil stands by nuclear deal

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL AND West Germany do not intend to review or alter their 1975 nuclear agreement, according to a communique issued after talks between Chancellor Helmut Schmidt and Gen. Joao Baptista Figueiredo, Brazil's new President.

Spurred by the Brazilian anti-nuclear lobby and by the implications of the U.S. nuclear accident, the Brazilian media made it virtually impossible for Herr Schmidt to avoid reference to the nuclear agreement: indeed, at his news conference, the Chancellor hinted that the agreement had caused "excessive nervousness" in the Press.

He said that the German and Brazilian Governments would jointly plead for re-examination and strengthening of all nuclear safety standards in the context of the International Nuclear Fuel Cycle Evaluation and the London Club.

Behind the insistence of both sides that the agreement, involving equipment for eight nuclear reactors from West Germany's Kraftwerk-Union, and nuclear fuel cycle co-operation sponsored by the German Government at a cost of $13.5bn lie complex factors.

Many of the 100,000 jobs involved in West Germany's nuclear industry would be at stake if Brazil rescinded or reduced the agreement: it is the country's largest single export order.

Brazil still resents an accusation made years ago by General de Gaulle that it was not a "serious country." To revoke or alter the agreement in the face of internal or external pressures would lay the current Government open to similar charges. U.S. attempts to make Brazil rethink the agreement have merely hardened its determination not to do so.

VENEZUELA'S ENERGY EXPORTS

Helping the poor relations

BY KIM FUAD IN CARACAS

JAMAICA and other Caribbean islands as well as the half-dozen Central American republics which depend on Venezuela for oil, face a crisis because of the rise in prices since the begining of the year, Venezuelan oil specialists report.

"The price increase has been so great it appears that a number of the countries will simply not be able to pay for it," the Venezuelans add.

The price of reconstituted crude—an energy "cocktail" composed of 60 per cent crude oil and 40 per cent more costly naphtha and distillate, and needed by Caribbean and Central American refineries — will have jumped from $14.80 a barrel in the first quarter to an average $17 on April 1.

Even before the Geneva announcement by OPEC of a 9 per cent rise in the price of marker crude, with surcharges of up to $4, Venezuela had planned hefty increases for its 2m barrels a day crude and product exports.

The OPEC decision, telescoping previously programmed quarterly price rises into a single increase, represented Venezuela's position in the two-day conference, President Luis Herrera Campins said.

Petroleos de Venezuela (PDVSA), the state oil monopoly, is studying the effect of the OPEC decision on its crude and product prices.

—Experts have indicated that about 70 cents per barrel will be added to crude prices, but products will suffer only modest changes—or even none at all—from the earlier prices schedule announced for the second quarter at the beginning of March.

Light crude prices could go up to about $17.70 a barrel for 41 gravity, $17.17 for 34 gravity and $16.18 for 32 gravity, while medium crude (26 and 34 gravity) would be about $15.00-$16.40.

Product prices range from about $19 for low sulphur residual fuel oil and $13.50 for high sulphur, under the earlier schedule.

These prices include $1.20-a-barrel surcharge that Venezuela had announced would be applied to light and medium crude to reflect market conditions.

The Venezuelan Government has been deeply concerned over the plight of its Caribbean and Central American clients which buy more than 100,000 b/d of crude and products.

In 1974, Venezuela signed agreements with Central American countries and later Jamaica and the Dominican Republic, partially to help finance enlarged oil costs.

The six-year Central American agreement (1975-80) allowed for oil to be bought at $6 a barrel, with the difference between that amount and world market prices being financed by what amounts to a 25-year Venezuelan loan, at 8 per cent, and payable in local currency.

PDVSA has also helped by charging a lower rate for reconstituted crudes, instead of the highest level, now about $18.50 a barrel.

Earlier this year, Sr. Carlos Andres Perez the former President, tried to put together a special price package for the second quarter of 1979 under which Caribbean and Central American clients would have continued to pay at the first-quarter level.

This plan, never made public, failed to materialise, because of Venezuela's supply commitments to major international oil companies which buy 65 per cent of the country's exports.

Such a plan, moreover, implied the use of preferential prices—anathema to oilmen, including PDVSA.

Sr. Humberto Calderón Berti, Venezuela's Oil Minister, has indicated that the new Administration will seek to soften the impact of price increases on its oil-poor Caribbean and Central American neighbours.

In rejecting use of preferential prices, he indicated that Venezuela is likely to expand its present economic co-operation programmes in which about $1.8bn have been invested since 1974.

Fall-off in W. German shipping registrations

BY ANDREW FISHER IN FRANKFURT

THE CONTINUING crisis in the world shipping industry took its toll of West Germany's merchant fleet in 1978, when there was a fall in total tonnage for only the second time in the past 30 years.

The German Shipowners' Association (Verband Deutscher Reeder) said in its latest review of the industry that the number of ships sailing under the national flag or registered in the country fell from 636 to 599, excluding coastal and fishing vessels, with tonnage down from 9.07m gross registered tons to 8.74m grt.

Nor did the association hold out much hope for any increase in 1979, since only a small number of new deliveries was expected, and profitability in many shipping sectors is wholly inadequate.

The gloomy outlook for the industry was also reflected in a drop in the number of new ships put into service by West German owners last year. Compared with the 52 new ships totalling 628,000 grt which were added in 1977, the 1978 figures were down to 47 vessels and 507,000 grt.

Compounding this declining trend was a considerable rise in the number of ships leaving the West German fleet. These totalled 89 or 854,000 grt after 57 or 406,000 grt and most of them were sold abroad. The last time the total fleet showed a decline was in 1972.

The association did find some cause for comfort, however, in the slight fall in the average age of the country's merchant fleet to 6.5 years from 6.6 and in that of ocean-going vessels only, thus excluding those in coastal and fishing trades, to 7.4 years from 7.7.

The only sector of the West German fleet to increase its share of the total last year was tramp vessels with a rise from 12.7 per cent to 15.4 per cent of overall tonnage.

In the largest category, tankers, there was a fall in the tonnage share from 40.7 per cent to 39 per cent comprising 3.41m grt. The proportion accounted for by bulk cargo vessels also eased slightly to just over 23 per cent at 3.03m grt, as did that of liner ships with almost 20 per cent and 1.72m grt.

Sony to market cosmetics

BY YOKO SHIBATA IN TOKYO

SONY IS to enter the cosmetic business this autumn in collaboration with three French cosmetic manufacturers.

Sony Creative Products, a Sony subsidiary, will import cosmetic materials in bulk from three French cosmetic manufacturers, namely Stendhal (basic cosmetics and make-ups), Creation Aromatiques (perfumes) and SEPA (soap), which will be packaged in containers designed by Sony using a new brand name.

Sony has been very active in diversifying its business. Sony Creative Products began as a division of the CBS-Sony (gramophone record) group in 1975 and was incorporated as an independent company last May. It has designed, produced and marketed fancy products such as greetings cards, stationery, accessories, toilet articles, kitchen and bathroom equipment, and interior accessories. It achieved annual sales of $40m last year.

In keeping with the reputation of French high quality cosmetics Sony is planning to market only through major department stores in Tokyo and Osaka. It will not use any other retail stores throughout Japan. However, prices are designed to be very competitive with those of Japanese makers, since Sony Creative Products will aim especially for the young women's market (18- to 20-years old). For the first year, the company expects sales to reach Y500m ($3m).

Three years ago, the company sounded out foreign cosmetic manufacturers, and Stendhal agreed to produce cosmetics suited for Japanese skin.

The company will start sales promotion in magazines this autumn using the company's motto "something different and something new."

Short-term deficit seen for China

TOKYO—A China expert in the Japan External Trade Organisation (JETRO) said 1979 and 1980 will be the most difficult period for China's overall balance of payments, because the country will have a total deficit of $3.73bn (£1.8bn) during the period against present external reserves of an estimated $4bn.

To deal with the situation, China can switch cash contracts to deferred payments, cut plant import contracts, raise loans from advanced nations, or use ITR reserves, Mr. Masahiko Ebashi, senior research officer of JETRO's international economy section, said in a report.

After 1980 China's overall balance of payments will improve steadily to a small surplus of $10m in 1981 and a sizeable surplus of $4.64bn in 1985, mainly because China's exports will increase by an annual average of 14.4 per cent.

Mr. Ebashi said China's accumulated debts will increase from $1.07bn in 1979 to a peak of $6.90bn in 1983 and then fall to $3.34bn in 1985, while debt service will decline from $1.04bn in 1979 to $870m in 1981 and then rise steadily to $2.70bn in 1985.

At the same time, however, China's exports to non-Communist nations will also increase steadily from $9.58bn in 1979 to $21.78bn in 1985, when the debt service ratio—ratio of debt service to exports—will become steady at 12.4 per cent.

Assuming that Japanese exports of plant and equipment to China during the 1979-85 period will be $9bn, Japan's total exports to China during the period will be nearly $40bn. Reuter

BHP-China meeting

BY JOHN HOFFMANN IN PEKING

A GROUP of senior executives of the Broken Hill Proprietary Company of Australia has arrived in China for two weeks of consultations which could lead to a significant role for Australia in the development of China's steel industry.

The delegation is led by Mr. B. T. Loton, BHP's chief general manager, and includes experts in steelmaking, engineering, coke production and marketing.

The group will hold a series of meetings with Chinese industry officials to define areas in which BHP's technical experience could aid China's development plans.

China already imports A$100m (£54m) worth of BHP products each year and BHP believes the company could competitively offer its expertise in ore handling and blending, coal mining technology, engineering, port development and the production of special steels as well as the upgrading of existing steel plants. Mr. Loton said there also were opportunities for the company to establish consultancy and training services with the Chinese.

Reuter adds from Canberra: The Australian Government-owned Export Finance and Insurance Corporation (EFIC) has signed an agreement to provide China with a A$50m (£27m) credit facility. The facility, for the purchase of Australian capital goods and services, will provide 85 per cent of the cost, with China paying the other 15 per cent cash.

China is expected to use the credit to buy A$20m Australian prefabricated motel units. Repayment terms will be in accordance with those agreed for export financing by the OECD.

● Tokyo Maruichi Shoji, a Japanese trading firm, and Chinese authorities have agreed in principle to establish a joint venture company to operate a chain of Peking-style restaurants in Japan, Reuter reports from Tokyo. Under the agreement, the joint venture will be capitalised at Y50m (£114,000) and will be set up in Japan towards the end of May after ratification by the two Governments.

Seven Japanese firms are to participate in the project. They will invest 51 per cent in the total capital and the remaining 49 per cent will be financed by the Service Corporation in Peking.

Pakistan-Canada locomotive deal

OTTAWA — The Canadian International Development Agency will lend Pakistan up to C$10m (£4.2m) to finance half Pakistan's cost of buying 30 Canadian locomotives.

The 50-year loan will be interest-free and repayments will start after ten years.

The diesel electric locomotives will be built by the diesel division of General Motors of Canada.

The CIDA which handles the Government's foreign aid, said the new locomotives will allow Pakistan to phase out 45 antiquated steam shunter locomotives, some of which have been in service since World War One.

AP-DJ

U.S. will sell arms to Swiss

By John Wicks in Zurich

SWITZERLAND IS to buy American arms worth a total of $173.5m. The order, which has now been approved by the Government in Washington, covers 207 Howitzers, 160 vehicles for the transport of munition and 225 armoured troup carriers. Assembly of the type M-109 Howitzers is to take place partially in Switzerland. The order had been the subject of discussion earlier this year during a visit to the U.S. of Swiss defence minister Herr Rudolf Gnaegi.

Irish electricity

Foster Wheeler has received a contract valued at $74m (£40m) from Ireland's Electricity Supply Board (ESB). The contract for the New Jersey-based company, covers the engineering, manufacture and erection of two 300 megawatt boilers at Moneypoint, County Clare—the site of Ireland's first major coal-fired generating station.

The station, which will cost approximately $550m to build, is expected to be in operation in 1985. It represents an effort by the ESB to diversify fuel sources for electricity generation.

Swedish beverage

Beijerinvest, a major Swedish investment company with brewing and soft drinks interests, has concluded an agreement with the Joseph Schlitz Brewing Company of the U.S. to market Beijer's Ramlosa mineral water, writes John Walker in Stockholm. Distribution will be carried out through Schlitz's extensive American distribution network.

ASEA Finland deal

AN ORDER has been placed by KEMI OY, a leading Finnish pulp and paper group, with ASEA, the Swedish electrical engineering concern, for a computer-based production, planning and control system for installation in the KEMI mills, writes John Walker in Stockholm.

Brazil chemical plant

Setal Instalacoes Industriais, the Brazilian subsidiary of C-E Lummus has been awarded a $100m (£50m) order for a low density polyethylene plant to be constructed at Triunfo, site of Brazil's third petrochemical centre. This will be the first major petrochemical plant where the whole basic engineering is completely developed in Brazil.

Rise in March sales of Volvo and Saab

BY JOHN WALKER IN STOCKHOLM

SALES OF new cars in Sweden during March were 20,300—a rise of 25 per cent on February. During the first three months of this year new car sales rose to 51,500—an increase of 15 per cent compared with the same period in 1978.

The pick-up in sales has given dealers hope that this year might see recovery of sales which have been depressed for the last two or three years leaving the appearance of a diminishing market.

Traders are hoping that this year will see the return to higher sales at around 220,000 units. Volvo and Saab together have approximately 43 per cent of the Swedish market.

Swedish domestic production (Saab and Volvo) is expected to increase this year and sales in the U.S. and Canada have improved. The U.S. was up 30 per cent during the first quarter and Canada by 27 per cent.

During the first quarter of this year Volvo sold 14,852 cars in the U.S. and Saab's preliminary figure is about 4,000 cars, an increase of 12-14 per cent.

● Mercedes Benz of West Germany will invest $50m in its Argentine subsidiary over the next four years, AP-DJ reports from Buenos Aires.

Mercedes said the money will be used to re-equip and modernise its Buenos Aires automotive plant. The decision was made "to face the challenge implied by the new auto law" which will allow cars and heavy trucks to be imported into Argentina once again.

● MITSUBISHI Motors Corporation has started marketing in Tokyo Chrysler Corporation's compact car Omni-024 at prices ranging between Y1.85m (£4.3m) and Y2.41m (£5.5m).

Mitsubishi hopes to sell 100 Omni-024 vehicles a month in the initial year and 15,000 cars annually in 1980. The model is powered by a 1,715cc engine produced by Volkswagenwerk of West Germany. Reuter

Competition for Israeli buses

BY L. DANIEL IN TEL AVIV

SIX EUROPEAN bus manufacturers are competing for orders for 1,060 new buses for the Israeli inter-urban bus co-operative.

They are to be delivered over the next two years. Requirements to renew the Israeli fleet are, however, much larger, and will probably require the import of another 1,500 buses.

The competing European companies are Leyland, Man, Mercedes, Volvo, Renault and Fiat. Man buses have been tried on Israeli roads for some years and the company has announced it is preparing to market 3,000 buses in Israel over the next three years.

Leyland, too, have shown a new model here, and Mercedes is another favourite, particularly for tourist buses.

UK-Tokyo car talks

By Kenneth Gooding, Motor Industry Correspondent

A DELEGATION from the UK Society of Motor Manufacturers and Traders will have talks in Tokyo with the Japan Automobile Manufacturers Association (JAMA) on April 24 and, for the first time for some years, the British will have no major complaint to make.

In line with the JAMA undertaking last Autumn that the Japanese manufacturers would take a "prudent" view of the UK car and commercial vehicle market, shipments appear to have been strictly limited since the end of 1978. As a consequence the Japanese share of total sales has declined steadily.

Registrations of new Japanese cars, for example, dropped from 12.93 per cent to 9.03 per cent in the first two months of 1979 compared with the same period a year before.

Land-Rover

The first 512 Land-Rover ambulances ordered by the Dutch Army have been handed over on schedule in Holland, our motor industry correspondent writes. The Dutch Army has placed orders for 3,917 ambulances, worth nearly £30m, for delivery up to February, 1982.

INDIAN JOINT VENTURES

Boosting foreign earnings

BY K. K. SHARMA IN NEW DELHI

ENCOURAGED BY foreign exchange earnings of Rs 780m (£50m) last year from joint business ventures in other countries, the Indian Government is making it easier for local entrepreneurs to do business overseas.

Having already established a broad industrial base and having developed indigenous technology in a number of fields, the Government sees joint ventures as a lucrative and expanding source of foreign exchange earnings.

Indian business interests have already invested Rs 277m in a total of 107 fully-operational joint ventures overseas, and are expected to sink a further Rs 420m into another 89 joint ventures now in the planning stage.

The area of the widest activity so far is Southeast Asia where about half India's joint venture activity is concentrated. The business community feels that because India's experience in intermediate technology is more relevant to developing countries the scope for setting up joint ventures in those areas of the world is much greater.

Africa comes next with 23 ventures currently under way. This is followed by the Middle East with 15 and Europe and the Americas with 14.

Joint ventures abroad are allowed in terms of guidelines issued by the Commerce Ministry. At one time these only permitted the export of technology and expertise until it was discovered that foreign partners were suspicious of entrepreneurs who did not want a financial stake in the venture.

Since direct equity participation also means returns in the form of dividends, cash remittances are increasingly being allowed, provided the Indian share remains a minority one. This is in keeping with the Government's policy on foreign investments in India.

Among the operational joint ventures, the largest are in light engineering and textiles, traditional fields of Indian business activity.

However, many of these have found themselves up against stiff competition in a market unsheltered by protective tariff walls.

The result is that there is an accelerating trend towards more sophisticated fields, such as engineering, construction marketing and business consultancy. In fact, much of India's joint venture business in North America is concentrated in the pulp and paper industries and in hotels and restaurants.

An alarmingly high 43 per cent of the joint ventures that have received Government approval have either not been implemented or have been abandoned.

Much of this occurred before 1970, when approval of projects was often given without the detailed scrutiny by an official committee, as is now the case.

This, however, has now been reduced drastically, and the first fruits of Indian joint venturing abroad are now being picked up.

Boeing buys windscreens from Triplex

By Arthur Smith

TRIPLEX, a Pilkington group subsidiary, has won a contract—thought to be worth around $5m—to supply windscreens for the Boeing 767, the new airliner scheduled to be launched in 1981.

Triplex Safety Glass, based at Birmingham, claimed yesterday to be the first UK equipment supplier to sign a contract with Boeing for the new 200-seat aircraft. The company attributed its success in the main to the reliability and weight-saving of its "Triplex Ten Twenty high-strength glass."

Triplex is already an established supplier of windscreens for the Boeing 747. Deliveries of the 767 windscreen will begin at the end of next year, and the contract will extend to the mid-1980s.

Record piano exports

British piano makers have returned from the Spring Fair in Frankfurt with full order books. In spite of the strong pound they received orders for a record 4,000 pianos worth £2.8m. Last year 3,000 pianos were sold at the Fair.

ENERGY REVIEW

Britain's strategy for nuclear power

BY DAVID FISHLOCK

THE NUCLEAR reactor design of Babcock and Wilcox (U.S.) which suffered the accident at Three Mile Island in Pennsylvania last weekend is one of four currently being evaluated by the Central Electricity Generating Board for its choice of a system and partner for Britain's planned demonstration pressurised water reactor. The decision would by now have been taken—though the board would almost certainly not have chosen the Babcock reactor, for reasons other than safety—had Britain not taken so long to reorganise the reactor design and construction industry.

The protracted discussions could be accelerated rapidly by a change of government. At least part of the delay has been occasioned by the Callaghan Government's determination to secure state control of the reorganised company without resorting to new legislation—for example, by persuading the CEGB to take control of the industry and GEC to relinquish part of its share. But, as a less-than-enthusiastic CEGB points out, among other drawbacks this merger would reduce the number of independent sources of expert opinion watching over matters such as safety.

Of the world's 20-odd nations generating electricity from nuclear energy today, Britain is almost alone in having no commercial PWR. It can therefore view more dispassionately than most countries recent events in the U.S. Indeed, the Prime Minister in Parliament this week went so far as to claim: "We have been very wise in concentrating on a safe type of reactor." He did not mention than Britain had suffered—but survived without public harm—two melt-downs in military gas-cooled reactors. One was repaired and has become a reliable commercial electricity source.

The operator, British Nuclear Fuels, has also found a new role for another former military plant, the old uranium enrichment plant at Capenhurst, in Cheshire, built in the 1950s to make nuclear explosive. This gaseous diffusion plant was acquired by the company at a knock-down price of a few million pounds when the Ministry of Defence found it could swap British plutonium for highly enriched American uranium.

The plant is known locally as the "Cheshire uranium mine." BNFL has sold the Central Electricity Generating Board the idea that the board's hoard of "depleted" uranium — from which much of the fissile uranium-235 component has been burnt in nuclear reactors—can be re-enriched profitably in this plant and restored to the composition of fresh uranium. The old plant is working flat out at 800 tonnes of enrichment capacity a year, restoring part of the electricity industry's stockpile of depleted uranium from 0.3 to 0.71 per cent enrichment.

"We sold the CEGB a straight economic case—not a strategic one," Dr. Alan Johnson, BNFL's director for enrichment, says. He has enough work to last until the mid-1980s, providing Britain with the equivalent of another 5,000 tonnes of natural uranium which otherwise it would have had to import.

The Cheshire uranium mine illustrates both the optimism to be found in some quarters of the British nuclear industry and the reluctance to say too much about it lest those opposed to nuclear power should find some excuse to intervene. The industry, which in its formative years to the mid-1960s was being urged by politicians to go ever faster, has learned that patience can bring its own rewards. Sir John Hill, chairman of the UK Atomic Energy Authority and of British Nuclear Fuels, says that the UK is often envied by other nations as one whose main projects are still going ahead. France is another.

Extra capacity

The latest nuclear investment, approved by the Government in February and just granted planning permission, is £90m for another tranche of uranium enrichment capacity at Capenhurst, utilising the new gas centrifuge technology. This will cover the cost of a building and services planned for 500 tonnes of enrichment capacity, and gas centrifuges to meet half that capacity for the moment. The extra capacity of 500 tonnes is needed to fulfil orders already taken by Urenco, the Anglo-German-Dutch enrichment company, in which BNFL is the UK shareholder. The company stresses that it is not "building for stock" but expanding only in response to firm orders.

The centrifuge project is small compared with the total investment plans of BNFL, Dr. Donald Avery, the deputy managing director, points out. They total over £1bn—ambitious for a company of only 13,000 employees. But turnover from nuclear fuel services during the period of investment is expected to exceed £4bn, three-quarters of which will come from the electricity supply industry and one-quarter from exports. This year BNFL will spend about £60m, and it would be much more were it not for difficulties in recruiting top-flight engineers. It has even ordered a fleet of three ships specially designed to commute between Japan and Europe with spent nuclear fuel and highly radioactive waste.

Its most highly publicised investment is the £600m chemical plant for reprocessing spent oxide fuel at Windscale, approved by the Government last year after an unusually long public inquiry. Less publicised is the work on three other reprocessing plants in Britain. Also at Windscale is the £365m project for reconstructing the front end of the chemical plant for reprocessing spent Magnox uranium fuel, scheduled for completion in 1981. Already, however, the refurbishing of particular parts of this process has begun to pay off, with faster processing of Magnox fuel in recent weeks, says Mr. Con Allday, BNFL's managing director.

At Dounreay the UK AEA has completely rebuilt an old reprocessing plant for plutonium fuel from its prototype fast reactor—that is, fuel of the size to be used in a commercial-size reactor. The first plutonium fuel is expected to be reprocessed this year. The least publicised of the three is a project ordered by the Ministry of Defence. BNFL is commissioning a specialised reprocessing plant at its Chapelcross nuclear station in Scotland, designed to separate the radio-isotope tritium, needed for nuclear weapons. Previously Britain has been buying tritium abroad.

The buoyancy of the fuel services business and of BNFL's factories, in almost every respect but recruitment of senior staff, is not reflected quite so obviously in the reactor construction side of the industry. Yet the picture here is far from gloomy. Fuel is expected to be loaded this autumn into another British reactor, the first of the twin 600 MW advanced gas-cooled reactors (AGR) at Dungeness B in Kent. First power should be generated early next year. At Hunterston in Scotland, the AGR badly damaged by seawater is expected to be back on load by the end of the year.

The performance of the AGR stations since 1976 does not at first sight appear to be impressive. But closer inspection shows that the serious problems have not occurred in their nuclear reactors but in the "balance of plant," the equipment common to any thermal power station. The boilers—an integral part of the reactors—by all accounts have performed remarkably well, and the electricity industry is confident it has learned how to control a tricky new kind of machine. Dr. Ned Franklin, managing director of the Nuclear Power Company, which built the reactors, sees them as prototypes of a new kind of reactor, and says confidently that most of their problems are "the difference between doing it for the first time and doing it again."

Early last year the Government authorised orders for two new AGR twin-reactor stations, one for Heysham in northwest England, the other at Torness in Scotland. They are to use a single design of reactor, based on the four AGRs which have already seen service, with "minimal" modifications to accommodate nearly 15 years of experience of this reactor.

New reactors

The Nuclear Power Company has just finished signing a design-phase contract with the electricity supply industry for these new stations. Before the end of the year it also expects to have the contract to construct, for start on site in the spring of 1980, says Dr. Franklin. But for months the company has been working on the new reactor, with a team which now numbers over 200. In mid-March it held a meeting in London with its sub-contractors to explain strategy and tactics for ordering the new reactors and, to quote Franklin, "give some assurances to our suppliers."

One project which the Government has not yet authorised—although it continues to spend about £50m a year on research and development for it—is the commercial fast breeder reactor (or "plutonium burner," as some would now prefer to call it). But within the industry work has been redirected over the past year, on the assumption that when a scheme finally wins the Government's approval in principle, it will be for a more adventurous project than the present "reference design." In effect, it will be a second-generation reactor, progressing beyond the French Creys-Malville (Superphénix) project, scheduled for completion in 1983.

The UK AEA has at last won authority to order replacement steam generators for the Dounreay prototype fast reactor, at a cost of about £20m. Until these are ready, in another two or three years, this station's output will be limited to about 200 MW. The three new boilers, to be made jointly by Babcock and Wilcox and Northern Engineering Industries, are of the design expected to be used in the full-scale reactor.

Beyond this, says Dr. Tom Marsham, managing director of the UK AEA's northern division, his design team is reappraising results from half-a-dozen fast reactor development teams worldwide, which between them are spending around £500m a year to perfect the technology. Their primary aim, he says, is to obtain a good idea of what the commercial fast reactor of AD 2000 will look like. Then his engineers will decide what Britain might be ready to start building in, say, 1984.

One feature of the 1984 project which has received close attention from Dr. Marsham's team in the past year is plutonium fuel manufacture. It has designed a new chemical process, which eats all its own radio-active effluents and wastes. It also produces the fuel in a form free from dust and thus simpler and cheaper to handle safely. Such a process could well be required as an integral part of the demonstration fast reactor project.

The fast reactor demonstration is expected to be submitted first to public inquiry. The project is going to make little progress until the industry can tell an inquiry confidently how it plans to manage and control such a project. But for more than a year it has been arguing both within itself and with Mr. Anthony Wedgwood Benn, the Secretary for Energy, about how it should be reorganised to meet the demands of a nuclear construction programme expected to be no greater than 1,000MW a year for some years to come, and yet be ready to expand rapidly in the 1990s.

Debilitating

The upshot is a degree of uncertainty about the industry's future which can only be debilitating for current projects, and which could prove fatal for future projects such as the fast reactor if exposed to a public inquiry.

Rolls-Royce took a hand late last year with a scheme to capitalise on its considerable experience in managing the construction and development of small pressurised water reactors for the Navy. Last year it began to build a new shore-based PWR for development and training in Scotland. In December it announced plans to launch a new nuclear reactor maker in Britain, RNC (Nuclear), bringing together Rolls-Royce, Northern Engineering Industries, and the U.S. reactor maker Combustion Engineering (CE).

Logic of mergers

The aim of RNC (Nuclear) is to launch CE's System 80 reactor, a 1,300 MW PWR, onto the world market, preferably starting with the order for Britain's demonstration PWR—another project authorised by the Government last year.

Some welcomed the Rolls-Royce intervention as one way of sharpening up everyone's thoughts about the restructuring of the reactor industry. Others saw a second reactor maker as something they could well do without, at a time when the Government-backed "industrial logic" of mergers between the two boilermakers, and the two turbo-generator manufacturers, was meeting such a negative response from the four companies involved. Unless RNC (Nuclear) can demonstrate very convincingly this spring that Britain can pick up substantial American orders for nuclear sub-systems and components from CE, it is unlikely to prove serious competition to Westinghouse as Britain's eventual PWR partner.

Later this year the first results of the international reappraisal of nuclear technology called for by President Carter at the London Summit in 1977 are expected to be made public. At the meetings of the International Nuclear Fuel Cycle Evaluation the Government has been stressing the fact that the fast breeder reactor is one of technology's most effective contributions to energy conservation. It will enable about 50 times as much energy to be extracted from uranium as present-day reactors such as the PWR and the AGR.

The Government — be it Labour or Conservative — will be confident that both reprocessing and the fast reactor will win international approval. This, the nuclear industry hopes, will be the cue for a concerted effort to restore the political will which helped to make such a success of nuclear power in Britain in the 1940s and 1950s.

BL's bus and truck division loses £15m

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND VEHICLES, the truck and bus division of BL, incurred a £15m loss in 1978 when it had budgeted to make a £26m profit employees have been told.

On top of the £15m loss the company set aside a further £16m to cover the cost in 1979 of lower manning levels and closures.

Before paying interest on loans from BL, Leyland Vehicles was in the red by £3.5m.

These figures were not given when BL announced its preliminary results for 1978.

Leyland Vehicles employees have been told that at the root of the company's financial problems was its "failure on the sales front." It budgeted for revenue of £565m in 1978 but missed this target by more than £120m.

"The effects of our failure to hold market penetration and the crippling long-term strike at the Bathgate plant were never so evident," the company said.

And during the year the company absorbed cash totalling £74m which was £33m over budget.

The company went on: "Add to that the fact that our manning level rose from 27,710 to 27,760 in 1978 and it is clear why new managing director Mr. David Abell moved quickly to revamp our sales and marketing operations and to reduce manpower levels when he arrived in December."

UK registrations of Leyland trucks fell by 450, wholly as a result of supply problems and the company's market share fell as a result from 22.8 per cent in 1977, to 19.3 per cent.

Exports were also hit by production problems and at 15,000 units were 6,000 down on 1977.

However, Leyland Vehicles insists that "all is not gloom" We are injecting capital in a massive way and we will regain ground this year. Already new bus models are proving a hit; a new truck range is on the horizon; our sales and marketing activities have an aggressive new look and production has turned in the right direction."

Building societies 'face fund problems'

BY ANDREW TAYLOR

MR. DENNIS HOWROYD, chairman of the Provincial Building Society, says it is becoming increasingly difficult for building societies to compete with Government and insurance companies for funds from potential investors.

Mr. Howroyd, in his annual statement, says Government and the insurance companies are able to offer investors tax benefits as well as a competitive return on their money.

They could secure funds by offering tax exemption and this was becoming a matter of concern to building societies—at a time when more and more investors are becoming subject to higher rates of tax and investment income surcharge.

"It may seem ironic that the banks should have expressed their desire for fiscal parity with us when much greater advantages are enjoyed elsewhere."

Mr. Howroyd says that increasing instability of investment funds coming to building societies, coupled with rising house prices, "might ultimately inhibit the progress which societies can make in responding to the unsatisfied demand for owner-occupation."

Provincial says that the cash needed to cover withdrawals in 1978 was seven times higher than the equivalent sum in 1970.

The flow of money into the building societies, combined with repayments of existing loans still fell well short of current demand for funds from potential home owners. At the end of last year, the societies' average liquidity ratio was at its lowest since the beginning of 1974.

Provincial's accounts show that its ratio of liquid funds to assets declined from 24 per cent at the end of 1977 to 18 per cent at the end of 1978.

The society's assets increased by 13.8 per cent in 1978 to £1.2bn. Investment receipts for the period totalled £526m and investment withdrawals £380m, leaving a balance of £1.16bn. Advances on mortgages during 1978 increased from £216m to £292m.

MPs in new bid to save canals

BY LYNTON McLAIN

AN ALL-PARTY group of MPs yesterday called for a Parliamentary debate on the future of the British Waterways Board, nine months after the government rejected its recommendations for saving the canals.

The MPs on the Commons select committee on nationalised industries said in a one page report that Parliament "should not be prepared to tolerate the inability of the board to meet its statutory duties."

The House, said the report, should debate a specific motion calling for the Government to implement the recommendations without delay.

Such a debate would be held against a background of repeated Government delays over canal repairs and earlier criticism by the MPs of Mr. Denis Howell, Minister of State for the Environment.

The committee called for ministerial responsibility for the canals to be transferred from the Environment Department to the Transport Department. But Mr. Howell, refused to accept this and other recommendations aimed at giving the British Waterways Board the resources to do repairs and meet its statutory duties.

The board, expected to maintain the canals in a condition suitable for use by freight and cruising craft, warned nine years ago of the need for £21.8m to overtake maintenance arrears.

The Environment Department did nothing for four years, then commissioned a report which was submitted to ministers in January 1976. It was not until November 1977, however, 13 days before Mr. Howell gave evidence to the select committee, that the Government published the Fraenkel Report.

It called for £37.6m for urgent repairs, equivalent to £60m at today's prices, nearly three times the original board estimate.

The Government has given the board £5m for 1978 to 1979 and has promised a further £5m for 1979 to 1980 for repairs.

Sixty nations' experts meet to cut airport delays

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

METHODS to speed the flow of passengers through airports are to be studied by experts from more than 60 countries at a meeting in Montreal from April 18 to May 5.

The meeting has been called by the International Civil Aviation Organisation, the aviation technical agency of the UN. It will study improved customs and immigration procedures, as well as methods for speeding baggage reclamation.

Among measures to speed passenger flows that will be discussed are special customs and immigration facilities for holiday groups or other parties, and the possible introduction of "special problem" desks freeing the normal immigration channels for others.

Another technique is called "pre-clearance." A passenger's baggage is cleared by customs on departure, rather than on arrival, thus eliminating delays. This is already available in some countries, but is not yet universally acceptable.

Lost baggage will also be discussed. Various methods of combating the problem will be proposed, including increased training facilities for airline staffs, and a campaign to encourage travellers to remove all unnecessary destination tags from baggage, to avoid confusion about their destination.

The eventual improvement in passenger handling, however, will remain a matter for airlines and their staffs to resolve. The organisation has no power to enforce its recommendations.

● British Caledonian Airways is adding a fourth flight each week to its services between Gatwick and Algiers, and is introducing first-class seating on the route. Flights will be daily from Mondays to Thursday.

● Singapore Airlines has sent a team to China, to discuss the possibility of a route between Singapore and Peking

OBITUARY

Lord Allan dies in Australia

LORD ALLAN of Kilmahew died suddenly yesterday in Sydney, Australia, shortly after arriving from London on a business trip.

Lord Allan, formerly Mr. Robert Allan, was aged 64. He had been a politician and a publisher and had been about to start a farewell visit to Australia before his retirement from the Pearson Longman board this summer.

Born in 1914, Lord Allan was educated at Harrow, Clare College Cambridge (he ran cross-country for the university) and Yale.

He had a distinguished career during World War Two serving in the navy, mainly in coastal forces in the Mediterranean before finishing as Deputy Chief of Naval Information in Washington in 1945-46.

As a result of his war service he was awarded the Distinguished Service Order in 1944, and the Order of the British Empire in 1942. He received a number of foreign honours—including the French Croix de Guerre and Legion d'Honneur and the U.S. Legion of Merit. He was also mentioned in dispatches five times.

He contested Dunbartonshire in 1945 and West Dunbartonshire in the General Election and by-election in 1950. He became Conservative MP for South Paddington in 1951 and served until 1966.

Lord Allan held a serious of junior posts. After two years as an assistant whip he served from December 1955 until January 1958 as parliamentary private secretary to the Prime Minister, first Sir Anthony Eden and then Mr. Harold Macmillan. In January 1958 he became Parliamentary and Financial Secretary to the Admiralty and in 1959-60 was Parliamentary Under-Secretary at the Foreign Office.

In October 1960 he resigned to become a treasurer of the Conservative Party which he was until 1965. He was chairman of the Conservatve Central Board of Finance in 1961-66. During the 1966 General Election he was the main aide travelling with Mr. Edward Heath. He was created a life peer in 1973.

After resigning from the Foreign Office he was able to resume his business interests. He was particularly involved in book publishing, and from the formation of Pearson Longman in 1968 until his death he was a director of the company, at one stage as deputy-chairman. He was a director of the Financial Times from May 1963 until December 1975. He was chairman of Ladybird Books.

Lord Allan of Kilmahew

Lord Allan was also a director of the Bank of Scotland and was chairman of its London board. He was a director of H. Clarkson (Holdings).

Among his other activities he was a governor of the BBC from 1971 to 1976, a governor of Harrow School from 1968 to his death and a trustee and chairman of Lord Mayor Treloar Schools.

He leaves a widow and a son and daughter.

A man of rare qualities

Lord Gibson writes: Bobby Allan's death is deeply saddening to his friends and colleagues. It will be felt as a severe personal loss by all who worked with him in a wide range of public, political, business and charitable activities.

In all these spheres, he was greatly respected and commanded both trust and affection to a truly rare degree. His charm was equalled only by his kindness and painstaking consideration for everyone

A man of infinite modesty and courtesy, he brought to everything he undertook special qualities of mind, heart and judgment.

In business, his career with the Pearson Group was particularly distinguished and much of the remarkable growth and success of Longman's educational publishing all over the world took place under his wise and experienced guidance as chairman. It was a work in which he always took a deep interest

His courage during the long and especially trying illness from which he suffered a year or two ago was altogether exceptional and had been rewarded by what seemed to his fellow colleagues to be a complete recovery. His death on his last business trip before retirement robs us of a friend whose combination of qualities is hard to replace. Our deep sympathy goes to his wife and family.

Council groups split over plans

BY PAUL TAYLOR

A MAJOR rift was developing yesterday between two Conservative-controlled local authority associations over Government plans for local government reorganisation.

The Association of County Councils yesterday published its response to the Government's White Paper proposals to hand back certain powers from county to district councils, and said the change would cost up to £80m a year.

Over the past few weeks Conservative Party leaders have been working towards patching up the differences between the association and the Association of District Councils which largely favours the Government's proposals.

However, the prospect of formal talks between the two associations appeared to be in jeopardy yesterday after the county councils said the discussions would only cover "minor changes and adjustments which do not require legislation."

Sir Duncan Lock, chairman of the Association of District Councils, responded immediately saying that if legislative change was ruled out "there seems little point in the discussions."

In the run up to national and local elections on May 3, this divergence of views could pose a serious problem for the Conservative Party.

The Association of County Council's memorandum on the White Paper on "organic change" argues that the Government has "failed to produce any valid evidence in support of its proposals.

The proposals, which involve handing back responsibilities for education, social services, transport, highways and planning to the larger non-metropolitan district councils are widely seen as an attempt by the Labour Party to win votes in the local elections while advocating the need for increased local democracy.

Dame Elizabeth Coker, chairman of the Association of County Councils, said the proposals could involve the transfer of about 100,000 staff and the employment of an additional 12,000 staff.

The Government's proposals could result in an additional £80m a year being spent

The figures were dismissed by both the Association of District Councils and Mr. Peter Shore, Environment Secretary.

Mr. Shore said the county councils' arithmetic was "a flight of fantasy" and did not take any account of potential savings. He added that if the figure of £15m to £21m for administrative costs were correct this had to be compared with a total shire county and district annual expenditure of £7bn a year.

Housebuilding fall of up to 25% likely

BY ANDREW TAYLOR

THE SEVERE winter weather in the last three months has led to a deterioration in an already low level of UK housebuilding.

Latest Department of Environment figures show falls of up to 25 per cent in building in the three months to the end of February.

These show that in February, building work on 12,600 houses and flats was started—a 17.6 per cent decline on the comparable figures for last year. In the same month, 16,400 dwellings were completed—20 per cent less than in February, 1978.

The figures, however, are an improvement on January when building work on only 10,100 houses and flats was started and work on 16,200 was completed.

The sharp decline in housebuilding is starkly illustrated in the seasonally adjusted totals for the three months to the end of February. During this period, total starts were 25 per cent lower than in the previous three months and 20 per cent down on the comparable figures for 1977-78.

Over the same period completions were 20 per cent lower than a year ago and 10 per cent down on the previous three months.

The public sector appears to have been worst hit with starts 37 per cent lower than a year ago and completions 32 per cent lower. This compares with the private sector where starts were only 7 per cent down on last year while completions were 8 per cent lower.

While much of this decrease can be attributed to the poor weather conditions, which has made much construction work impossible, the underlying trend in housebuilding activity continues downwards.

Last year activity was at its lowest ebb since 1974 and a recent forecast by the National Council of Building Material Suppliers said that housing starts in the next three years can be expected to fall to unprecedently low levels.

It said that the outlook for public sector housing remained one of the most gloomy.

Meanwhile, Shelter, the organisation representing the homeless, yesterday described the Government figures on council house building activity as "the most abysmal start to a year since 1946." These showed that work on only 4,700 houses in the public sector was started in February compared with 9,000 for the same month last year.

Police may contest Ladbroke licences

BY ARTHUR SANDLES

POLICE objections to renewal of some or all of the Ladbroke group's London casino licences are "now anticipated" when the licences come up for renewal next month.

Ladbroke, whose casinos are operated by its Ladup subsidiary, says the objections will be strenuously resisted.

Ladbroke says in its preliminary profit announcement: "Following some irresponsible Press publicity, police objections are now anticipated, based on alleged technical breaches, but it has been made clear there will be no prosecution. The objections will be strenuously and, in the view of the company's legal advisors, successfully resisted."

The publicity referred to is almost certainly a series of articles in recent issues of the satirical magazine, Private Eye.

Ladbroke has 11 casinos, of which four are in London (Ladbroke Club, Hertford Club, Park Lane Casino and the Park Tower Casino) and seven in the provinces.

The Gaming Board gave approval only recently to two provincial licences, and it therefore seems unlikely that the Board will have anything to say at any London hearings.

Gaming licence applications are heard once a year in May. Normally, clubs or new applicants make applications in January or February of that year.

The London Ladbroke casinos produce the bulk of the division's profits, and perhaps more than £13m pre-tax for the group.

Ladbroke yesterday produced annual turnover figures to year-end January 2, 1979, of £469,000—up 21 per cent on the previous year's £387,693—and a pre-tax profit rise of 71 per cent to £41,400.

Mr. Cyril Stein, chairman, said the company was "continuing to invest and expand. We have outstandingly able management teams within our divisions capable of generating and implementing new ideas and achieving new profit levels. We therefore look forward to the future with confidence."

Sodawater gadget battle settled out of court

SODASTREAM'S legal battle to prevent Thorn Domestic Appliances (Electrical) Holdings from introducing a sodawater machine bearing the Kenwood Cascade label ended yesterday with an out-of-court settlement.

Thorn has agreed not to introduce a competitive Kenwood-labelled machine until after January, 1981, and has also agreed not to market and manufacture gas refills or concentrates before September 20 this year. It is not, however, prevented from exporting a machine bearing the Kenwood name.

As the sole manufacturer of a sodawater machine, Sodastream was surprised to see a Kenwood Cascade prototype machine at a trade fair in January. It appeared a week before Sodastream's links with Thorn were severed and two years before the expiry of an alleged agreement not to manufacture such a machine.

The break from the Kenwood/Thorn marketing arrangement, which began in 1974, was intended to give Sodastream a bigger market in Britain.

Mr. Stephen Bingham, managing director of Sodastream welcomed what he regarded as "an amicable agreement."

Mr. Nigel Penny, managing director of Kenwood Cascade saw the agreement as "a happy compromise" and one that enables his company to introduce its own machine after September this year. "Which we shall do, under another brand name," he said yesterday.

Pilkington plans £30m Fibreglass programme

BY ANDREW TAYLOR

PILKINGTON BROTHERS, the UK glass group, is to spend £30m modernising and expanding the insulation division of its Fibreglass subsidiary.

The main portion of the money is to be spent at its Ravenhead factory in St. Helens, where Pilkington plans to build a new production line which it says will be able to produce a greater range of insulation products.

The rest is to be spent on increasing capacity of existing production lines at St. Helens and Pontyfelin, near Pontypool.

The group said that the new production facilities would lead to the loss of some jobs. The numbers affected and how the reduction would be handled had still to be "worked-out" with the unions involved.

Pilkington said however that despite the initial job loss there were prospects that the expansion might lead in the longer term to the creation of more jobs.

Mr. Bill Snowden, chairman of Pilkington's Fibreglass subsidiary, said that the expansion and modernisation programme would increase production by 25 per cent.

Two years ago the group had spent £20m at the Pontyfelin plant which had doubled the subsidiary's output of insulation products.

He said the new production line at St. Helens would help maintain the group's position in the insulation market. Without the investment many jobs would be lost as the group's products became outdated.

Pilkington, inventor of the revolutionary float glass manufacturing process, has been steadily increasing its insulation products business while the glass fibre business in total now generates about 20 per cent of group sales—£256.9m in the six months to September 30, 1978.

This latest investment takes Pilkington's spending on new projects now under construction—including its new float glass plant at St. Helens—to £125m.

Finance houses face status blow

By Michael Lafferty, Banking Correspondent

FINANCE HOUSES have been advised that they are unlikely to be recognised as banks under the new Banking Act. This is admitted for the first time in the annual report of the Finance Houses Association, released yesterday.

Mr. Joe Skelton, the association chairman, says in his statement that the former Conservative government's policy, outlined in the document Competition and Credit Control, had encouraged the finance houses to widen their activities into the field of banking.

Some had even been recognised as banks under the Companies Act 1967. "It was, therefore, a chastening experience for finance houses to be advised by the authorities that recognition, other than as licensed deposit-taking institutions, under the Banking Bill, was unlikely," he states.

The annual report also reveals that the association has established a working party, under the chairmanship of Mr. David Windrow, a director of Citibank Trust, "to consider the problems and opportunities presented by the development of new forms of credit available to the customers of finance houses and, in particular, credit or cheque guarantee cards."

The association move has been prompted by the growing impact of credit cards, issued by the major banks and department stores, on the instalment credit market.

Hope fades for 390 Belfast bakery jobs

THE CHANCES of saving 390 jobs at the Peter Pan Bakery in Belfast have diminished, in spite of attempts by the management and union to find a long-term solution to the company's financial problems.

The group has made no official statement, but the Northern Ireland Bakers' Union has received confirmation that redundancy notices are being issued. Workers with the longest service have been given 12 weeks' notice.

The company employs 390 at its Belfast bakery. It was given £50,000 last month by the Northern Ireland Department of Commerce as a Temporary Employment Subsidy. Mr. Don Concannon, Ulster Industry Minister, asked management and the union for a plan to save as many jobs as possible.

There seems to be more hope for 100 workers employed by a subsidiary, Eaton's Bakery, in Londonderry. Their jobs may be saved if a takeover by a flour-milling company in Co. Donegal, in the Irish Republic, goes ahead.

The future of the Peter Pan Bakery will be discussed next Thursday by Mr. Concannon and Mr. Gerry Fitt, MP for West Belfast.

Some van salesmen have been offered jobs by the larger bakery concerns in Ulster, but the chances of most of the Belfast workers finding other work are slim.

Mostek 'could not provide guarantees'

BY MAX WILKINSON

THE DEPARTMENT of Industry disclosed yesterday that Mostek, the semi-conductor company which is to open a factory in Ireland, had been unable to give adequate guarantees to qualify for a regional development grant in the UK.

To qualify for the grant, which would have been worth £9.25m, the company would have had to guarantee to establish a manufacturing operation.

But the company plans, shown to the Scottish Development Agency, were only for the testing of micro-circuits imported from Mostek's U.S. plant. Although the company said it wanted to establish assembly and fabrication operations in Scotland, the Department said yesterday Mostek had not been able to give firm guarantees that it would do so.

The Department said that it would have welcomed Mostek to Scotland and was co-operating fully with the Scottish Development Agency in the negotiations.

Mostek is planning to set up a £40m plant in the Irish Republic on a 50-acre site in Blanchardstown. Initially the factory will be testing micro-processors, but by 1982 the company says it hopes to be providing 1,100 jobs fabricating and assembling micro-circuits.

Price Commission 'should be scrapped'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A CALL to scrap the Price Commission was made yesterday by Mr. Tony Emmerson, newly-appointed chairman of the Food and Drink Industries Council.

Mr. Emmerson said the Price Commission had failed to make any impact on inflation or pave the way for voluntary pay restraint.

The council also partly blames the Price Commission for the poor profitability of Britain's food and drink companies.

But the council's latest profits survey, released yesterday, shows that in spite of price controls the recovery in food and drink companies' profitability continued in the third quarter of last year.

The survey, based on 31 companies in the industries, shows that net profit margins in the third quarter of 1978 reached 4.4 per cent on a seasonally adjusted basis. This was the best performance since the spring of 1976.

The third quarter figures continue the rise first shown in the April to June figures when profit margins reached 3.8 per cent.

The recovery in profitability is largely due to the growth in sales volume last year. Extra expenditure over the past year tended to benefit consumer durables and fresh foods. The slowdown in the rise of processed food prices and the stabilisation of fresh food prices—combined with a rise in real personal incomes—meant that sales volume recovered.

Agricultural Hall may become supermarket

THE FATE of the Royal Agricultural Hall still hangs in the balance. Islington Borough Council has asked its planning officers to review two proposed redevelopment schemes. They will report back on June 5.

J. Sainsbury proposes a joint development with the council to build a supermarket in the main hall, an arcade of antique stalls in the Princes Gallery, and housing and small industrial units on open space at the rear.

The other proposal, by the Romm Doulton Organisation of the U.S., is for a leisure and tourist complex with a Dickensian theme costing £12m.

Sainsbury is offering the council £1.3m for a 99-year lease. The Americans are proposing a sliding scale rent after a 10-year rent free period.

Copper semi-reference cancelled

MR. GORDON BORRIE, Director General of Fair Trading, said yesterday that he is not proceeding with a reference to the Monopolies and Mergers Commission of the supply of copper semi-manufactures.

The intention to make such a reference had never been formally announced, but had been made known to the industry and had been the subject of comment in the Press.

The pricing arrangements for copper semis—list prices with discounts and rebates, and a high degree of price parallelism—appear to be similar to those in certain sectors of the insulated wires and cables industry.

The Monopolies and Mergers Commission's report on the supply in the U.K. of insulated electric wires and cables, which has just been published, makes no adverse findings against these pricing practices in the cables industry.

More cars, but fewer fringe benefits for building managers

BY ANDREW TAYLOR

CONSTRUCTION INDUSTRY managers are more likely to run a company car than their counterparts in almost any other large UK industry according to a survey published in the Building magazine.

They also appear to be more likely to receive cash bonuses to augment their salaries. The survey says, however, that there is little evidence of some of the more "exotic" benefit schemes in other sectors.

The survey of some 120 construction companies with turnovers ranging from £500,000 to £200m was carried out by the Building Business Unit.

It showed that more than 80 per cent of managers received a company car.

Even lower paid managers were more likely to receive a company car than in many other industries. More than 60 per cent of site managers earning less than £5,000 received a car, and 17 per cent got car allowances. Over 96 per cent of managers in the contracts department — the highest paid group — received company cars.

However, the survey says that it may be argued that company cars are essential for the job.

It also says that many construction companies pay cash bonuses to managers. Only 27.6 per cent of the companies canvassed had no bonus system, and in most cases, bonuses applied to all management levels.

These were sometimes as high as 20 per cent of the total salary, but were normally between 5 and 10 per cent of total salary.

Salaries varied widely between each company. Heads of contract departments at the largest companies earned an average of more than £11,000 a year. Some were paid £2,000 more than the average paid for the same job at medium-sized companies.

The most frequent fringe benefits for managers were pension schemes and private medical insurance, while most companies provided death benefits. These varied, but "the most commonly cited death benefit sum amounted to three times annual salary.

Absentee levels worry the Scots

ABSENTEEISM LEVELS in companies in the West of Scotland are higher than in most other parts of the UK and could be twice as high as in the South of England, according to a Glasgow Chamber of Commerce survey.

Based on replies from more than 90 companies, the chamber concludes that absenteeism among male workers averages between 7 and 8 per cent and for women between 10 and 11 per cent.

Only 14 companies had an average rate below 5 per cent and 52 had more than 10 per cent. One construction firm averaged 30 per cent and reached 42 per cent in one month.

Companies said that they believed monotony and lack of responsibility were among the causes for men staying away from work. There was less absenteeism from skilled workers and office staff and virtually none from management.

Among women, family responsibilities seemed to be the main reason. Absences were highest during holiday periods.

Alcohol was cited as a contributory factor for people staying away from work, but some companies also blamed doctors who were willing to sign medical certificates on very little evidence of illness.

One company said that judging by certificates, nervous debility had reached epidemic proportions. Others criticised the backdating of certificates or the issuing of notes valid for 28 days after only three days' illness.

£2.5m Esso order for Cochrane

By Lynton McLain

ESSO PETROLEUM has ordered a 2,000 deadweight tonnes coastal tanker from the independent Cochrane Shipbuilders of Selby, Yorkshire, in a £2.5m contract expected to be completed next summer.

The vessel is to be highly automated and will include a vibration-free deck house to comply with the accommodation noise levels recommended by the Trade Department.

Cochrane Shipbuilders is part of the North British Maritime Group, of Hull, and the company won the order in the face of bids from other British yards and those overseas.

It has not been disclosed whether the Government's Shipbuilding Intervention Fund was used to help win the contract.

● British Shipbuilders' Robb Caledon yard at Leith is expected to announce "within a few days" an order from the Nigerian Port Authority for two tugs. Work on the vessels will start almost immediately with delivery expected early next year.

The two crane barges the yard is building for Poland are almost complete, but the yard has a ferry conversion contract for Caledonian MacBrayne and steelwork for another ship for Poland.

OBITUARY

Mr. Roy Fenton

MR. ROY FENTON, chief executive of Keyser Ullmann, the City merchant bank, died suddenly early yesterday morning, aged 60. He had been at Keysers since November 1975, when he joined Mr. Derek Wilde the chairman, at the height of the bank's troubles.

Before joining Keyser Ullmann, Mr. Fenton was head of the Bank of England's overseas department. From 1958 to 1963 he acted as Governor of the Central Bank of Nigeria.

Mr. Wilde said yesterday that Mr. Fenton had been an extremely popular chief executive. "I enjoyed working with him as a good colleague for nearly four years," he said.

Mr. Wilde and Mr. Fenton headed the new management team which saw Keyser Ullmann through the aftermath of the secondary banking and property collapse of 1973-74.

By 1977 the bank was free of support and last year turned in a pre-tax profit of £864,000, its first profit in several years.

Mr. Fenton is survived by his wife, Daphne, and a son.

Cotton mill to close

CALEB SHEPHERD of Sagarholme Mills, Rossendale, one of Lancashire's oldest independent cotton manufacturing companies is to close within two months.

The company was formed 125 years ago and its closure means 97 people will lose their jobs.

Pearson Longman executive takes top job with EMI

BY MAX WILKINSON

MR. ROGER BROOKE, vice-chairman of Pearson Longman has been appointed group managing director of EMI, a post which has been vacant since a major re-organisation of the group last summer.

Mr. Brooke will become second in command at EMI after Sir John Read, who retains his titles as chairman and chief executive.

In July last year, the group was re-organised into five divisions responsible for product groups on a worldwide basis. A sixth division was set up for research.

As a result of the re-organisation the three managing directors, Mr. J. M. Kuipers, Dr. J. A. Powell and Mr. R. L. Watt were appointed vice-chairman with functional rather than product group responsibilities.

Mr. Kuipers was given charge of Personnel, Dr. Powell became Technical Director and Mr. Watt was appointed finance director.

The overall executive responsibility for the running of the group was taken by Sir John.

He will now be assisted by Mr. Brooke who joins the group in June.

Mr. Brooke, aged 48, a former diplomat, became deputy managing director of the Industrial Reorganisation Committee in 1966. Since 1971, he has been a director of S. Pearson and Sons.

Warrington wins more jobs

THE WARRINGTON Development Corporation beat its job-creation objective by more than 30 per cent according to figures for the year ending March 1979.

They showed the 42 companies which signed with the corporation during that period have created 2,000 new jobs—468 in manufacture, 910 in service or distribution, and 622 in science and technology. Warrington's own target was 1,500 jobs. More than 5,000 new jobs have been created since Warrington's first unit was occupied in 1973.

Jenkins urges rethink on joining EMS

THE NEXT Government should reconsider Britain's decision not to join the European Monetary System, Mr. Roy Jenkins, President of the European Commission, urged yesterday.

Mr. Jenkins told Birmingham businessmen: "I want to stress the importance to my mind of the decision to create the European Monetary System."

It offered an "overall economic environment in which those concerned with industrial and commercial policy, and above all with investment, can see a period of exchange rate stability which would enable them to take the longer-term decisions which have hitherto been damagingly lacking.

"I believe the EMS provides a launching pad, and I devoutly hope the new British Government will feel able to join the system.

"It gives us the framework in which we have a better chance of developing and rationalising industry than is possible under a Customs Union alone."

Big Western economies 'face growth-rate falls'

BY DANIEL FREUD

THE GROWTH rate, of the seven major Western economies will drop from 3.9 per cent in 1978 to 3.5 per cent this year, according to the Economist Intelligence Unit.

The private research organisation's 1979 edition of World Outlook, published yesterday, says Gross National Product growth in the U.S. is likely to fall from 4 per cent to 2.5 per cent over the two years.

Japan's growth rate is expected to remain at 5.5 per cent and while there are improved prospects for West Germany, Italy and France, this will be insufficient to offset the slowdown in the U.S. and the UK.

But because foreign trade is a more important output component in the countries expecting faster growth than in the U.S., the unit says the over-all slowdown in production growth is not expected to have a severe impact on world trade.

Yves Klein painting fetches £43,000

MODERN and contemporary art is understandably the most difficult market in the salerooms, subject to fashion and the state of the world economy. Sotheby's can be reasonably pleased by attracting £507,696 in a major sale yesterday with 29 per cent unsold.

The top price was £43,000, plus 10.8 per cent buyers' premium, paid by a German private collector for Relief d'éponges, by the French artist Yves Klein. The price is way above Klein's previous auction record of £26,250.

Bidding was international. A German dealer paid £18,000 for Etoiles variables by Wolfgang Schulze, while a Belgium private buyer paid the same price for another work by Schulze. A Japanese dealer paid £18,000 for Parallelepipedes rectangles by Jean Fautrier and a Swedish dealer paid £15,500 for Les Animaux du Desert by Karel Appel. A Paris dealer bought Peinture 17 Janv '70 by Pierre Soulages for £9,500.

A big disappointment was the failure of Francis Bacon's "Portrait of Henrietta Moraes on white ground" painted in 1964, to find a buyer.

Among the silver a George III silver gilt tankard sold for £1,350 and in the ceramics at Sotheby's Belgravia, a Royal Worcester royal blue ground dessert service painted by R. Sebright for Asprey in 1938 fetched £3,000.

SALEROOM

BY ANTONY THORNCROFT

At Christie's a pair of terrestrial globes by Willem Janszoon Blaeu, 67 cm in diameter, and made in the early 17th century, went to a London dealer.

Phillips brought in £62,286 from musical instruments. An Italian violin made in 1750 by Joannes Baptista Guadagnini sold for £20,000; it had been found recently at the bottom of a wardrobe wrapped in a pair of bloomers.

The top price in the Bonhams picture sale was £2,800 for Tea with Grandmother by Harry Brooker, and at Christie's South Kensington a Japanese wood and ivory group went for £850.

Post-war clarets fetch record prices in London

BY EDMUND PENNING-ROWSELL

IN A MIXED fine-wine sale at Christie's yesterday some record and near-record prices were paid for leading clarets.

A bottle of Mouton-Rothschild 1899 sold for £135, six magnums of Gruaud-Larose '28 fetched £520 and a double magnum of the same chateau's '45 made £260.

The rarely seen Pétrus '45 went to £460 for six English-bottled wines. The much less rare '55 brought £640 a dozen and three bottles of the sought-after '61 were bought by a Continental bidder for £550, or £183 a bottle for a 17-year-old wine—a London saleroom record for a post-war claret.

Among other outstanding prices were £1,250 a dozen for Mouton-Rothschild '45 and £520 a dozen apiece for Lafite '59 and a Mouton-Rothschild '59. The chateaux whose '61s achieved particularly high prices per dozen were Lafite (£780), Margaux (£600), La Mission Haut-Brion (£440) and Palmer (£440).

Other rarities that brought high prices, mostly from American and Continental buyers, included four bottles of the celebrated Quinta do Noval '31 port (£135), three bottles of the same Quinta's '47 made from ungrafted vines (£130), a bottle of 1815 port (£62), a case of La Montrachet '71 (£420), and a single bottle of 1812 Napoleon brandy (£250). The sale total was £64,228.

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UK NEWS — LABOUR

POLITICS

● NEWS ANALYSIS—THREAT TO BL TALKS WITH HONDA

Spectre of a toolroom strike looms

BY ALAN PIKE, LABOUR CORRESPONDENT

THE GHOST of BL's devastating 1977 toolroom strike has once against materialised, this *time to overshadow the discussion* about possible collaboration between the company and *Honda of Japan.*

If the toolmakers and other skilled workers go ahead next *week with action on anything* like the scale of the 1977 stoppage, there could literally be much less *of BL for Honda to* collaborate with. Mr. Ray Horrocks, managing director of Austin Morris volume car division, declared bluntly yesterday that BL would not be able to survive a strike of the type which Mr. Roy Fraser, leader of the skilled workers, "appears intent on perpetrating."

The toolmakers' discontent has rumbled on ever since their 1977 strike. It almost reached crisis point again last year when they threatened another stoppage in support of a group of toolmakers at BL's SU Fuel Systems factory expelled from the Amalgamated Union of Engineering Workers for refusing to call off an unofficial strike. Now Mr. Fraser and his colleagues have lit another, very short, fuse and are demanding an all-out stoppage from tonight.

Basic issues remain the same as at the time of the original strike. The toolmakers want action to give them pay parity, restoration of differentials and separate negotiating rights.

This time, however, they are not acting in isolation. Mr. Fraser's unofficial toolroom committee has grown into the British Leyland United Craft Organisation and tonight's strike call is being made to all 8,000 skilled workers in the company. Although Mr. Fraser has demonstrated that he has a strong following among some toolmakers there is as yet no way of assessing how many of *the other* skilled workers will heed the strike call.

Both BL management and the *official AUEW leadership* suspect that Mr. Fraser's influence has waned greatly *since the 1977* strike—although this has always been a difficult issue to test without running the risk of being proved wrong.

Yesterday, the industrial relations department at *Cowley,* where Mr. Fraser is based, did its best to isolate him by refusing to connect telephone *calls* to the AUEW shop stewards' office. The company hopes that next week Mr. Fraser will be isolated in a much more serious sense if a majority of skilled workers —including many in toolrooms —ignore the strike call.

Last month 100,000 BL manual workers voted 2-1 against a *union call to go on* strike over delays in making parity payments because of *inadequate productivity, and* this may indicate a prevailing *mood which will be reflected by* the craftsmen next week.

The company hopes the *skilled workers can be persuaded* that if output remains high they will come close to their *demand—for a basic rate* rate of £90 per week—by the end of the year, while a strike *will make this impossible* to achieve.

But on Mr. Fraser's demands for separate bargaining rights, BL can offer nothing and here the issue becomes tangled with AUEW politics. The company refuses to negotiate with the United Craft Organisation because it is an unofficial body. It *has to remain an unofficial body* because the union is constitutionally opposed to sectional *groups bargaining across companies.*

In any case, neither the union nor company believe it would be a healthy development to *grant* separate negotiations to one group—a certain recipe *for* leap-frogging claims elsewhere —*for* two years it has been hoped that the company's new centralised pay structure would dampen this demand from the toolmakers.

Mr. Fraser and his colleagues, however, believe that the AUEW has done too little to promote and protect the interests of its skilled membership—an alleged neglect made worse by the differentials—squeezing impact of pay policy. The demand for *separate negotiations* is seen as a means of protecting the interests of a minority of craftsmen in an industry dominated by semi-skilled workers.

The campaign to remind the AUEW of its responsibilities towards skilled workers has made Mr. Fraser many enemies in the *official AUEW leadership. Members* of the executive got so far as discussing the possibility of *expelling him from* the union during last year's SU strike. If next week's proposed strike goes *ahead* and is badly *supported it* will not only be BL management which breathes a sigh of relief.

Mr. Fraser and his colleagues are gambling everything *on* getting support. Quoting from Wednesday's Financial Times, Mr. Fraser said yesterday that he agreed with comments by Mr. Michael Edwardes, chairman of BL, that British society had "traditionally undervalued the contribution of the engineer."

This is entirely Mr. Fraser's view. Skilled engineering workers are, he says, indeed undervalued and neglected and his members believe they must fight to reverse this trend even if it does mean another dispute in BL.

The timing of the proposed strike at the start of the General Election campaign is apparently a coincidence although a major dispute in BL would obviously become an important election issue. Its timing also coincides with the meeting, later this month, of the AUEW national committee—the body which has to decide policy for a union in which the claims of toolmakers and other groups do not always overlap.

Edwardes plea as support weakens

SUPPORT for the strike threatened by BL Cars' craft workers appeared to be weakening last night, as both the company and union leaders warned of the consequences, writes *Arthur Smith, Midlands Correspondent.*

Mr. Michael Edwardes, the BL chairman, issued a personal appeal to all skilled workers to ignore the action planned to start tonight.

"If plants are forced to shut, we cannot guarantee that they will re-open. It is a very very serious situation indeed," he warned.

A strike now could "bring the company down," Mr. Edwardes said. He had strong words for Mr. Roy Fraser, unofficial leader of the craftsmen, who, he said, was "on a hiding to nothing."

More than 100 senior managers in BL plants had been trying to explain to skilled workers throughout the day that "the objectives Mr. Fraser says he has are *absolutely unobtainable,* unachievable, by these deplorable methods that he is proposing to use."

Mr. Edwardes emphasised that a strike would not bring *forward parity payments* or achieve separate negotiating rights for skilled workers.

Mr. Fraser's committee, which claims to represent 8,500 skilled men, is urging an indefinite strike in pursuit of improved differentials and an immediate pay rise to £90 a week.

The craft leaders have claimed support from 19 of the company's 34 plants. But by last night the number appeared to have dwindled to about 10, *including only four* big factories: Cowley body and assembly, Castle Bromwich, and Solihull.

Plants voting to remain at work include those which have *supported* Mr. Fraser in the past, such as Longbridge, Drews Lane, SU Fuel Systems, and Common Lane. Three of the four biggest toolrooms within BL Cars have also rejected the call.

Hugh Routledge

Mrs. Shirley Williams and Mr. Albert Booth

Cash-for-jobs scheme proposed

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MANY UK employers may face a choice of hiring more young workers in return for short-term grants or being required to do so by legislation.

A Government consultative document yesterday suggested that employers should be offered pump-priming grants for cooperation in providing formal "traineeships" for an extra *70,000 16- to 18-year-olds* by 1982.

Failure to meet this target could be *legislation obliging* employers to send young workers on courses of "vocational preparation."

Introducing the document in London, *Mr. Albert Booth* and *Mrs. Shirley Williams,* Employment and Education Secretaries, carefully avoided justifying Conservative claims that they were using their Ministerial positions for electioneering. The proposals were made purely for consultation, they said.

But it seemed clear that the scheme will be a plank in the Labour election campaign.

Mr. Mark Carlisle, Conservative education spokesman, said a Tory Government would be keen to encourage youngsters to continue their education and *training beyond school,* but would not introduce any new form of public expenditure in *that area until it had reviewed* existing provisions.

He ruled out any legislation to force employers to take part *in such a scheme.*

A second consultative document on the 16-18 age group, also published yesterday, sets out a large *number of questions* to be considered by education authorities and interest groups in planning educational responses to the impending decline in pupil numbers.

Security measures agreed

BY PAUL TAYLOR

POLICE CHIEFS yesterday agreed on measures *to combat* the possibility of terrorist attacks during the general election campaign and to protect candidates, polling stations and meeting places.

More than 50 Chief Constables met at Scotland Yard yesterday to discuss security measures in *the aftermath of the* murder on Friday of Mr. Airey Neave.

A statement issued after the meeting *said* the Chief Constables had agreed on security measures.

Mr. Philip Knights, Chief Constable of the West Midlands and President of the Association of Chief Police Officers of England, Wales and Northern Ireland, *said they had examined* "all aspects of the security cover."

The head of the Special Branch, Mr. Bob Bryan, and his experts on Irish affairs, were also at the meeting.

A big security check was mounted for the meeting itself, with cars carefully checked and briefcases electronically scanned.

Meanwhile, the Police Federation warned that political parties which do not treat law and order as a top election issue during the campaign will "pay the penalty on polling day."

The Federation was commenting on an opinion poll carried *out by* Market and Opinion Research International, which showed that 19 per cent of voters *believe law and order* should be the main election issue.

Mr. James Jardine, Federation chairman, said he was "*delighted*" *that so many voters* had "got their priorities right."

The Federation, which claims to represent 95 per cent of all police officers, said *candidates* should declare where they stood on support for the police and the *need for changes in the* law, such as the return of capital punishment.

BBC unions set to accept new 17% offer

BY PHILIP BASSETT, LABOUR STAFF

BBC *staff* are set to accept a new pay deal which gives increases of 17 per cent over 18 *months from last autumn. Just* before Christmas the staff had an arbitration award averaging 16½ per cent for *1977-78,* after threatening to black Christmas programmes.

Details of the new award, which covers about 26,000 weekly and *monthly paid staff,* were being sent yesterday to branches of the National Union *of Journalists, and the offer* will be put to members of the Association of Broadcasting Staff at *their annual conference which* opens tomorrow.

It is expected that both major unions, as parties to the *agreement, will accept the deal,* which brings together the BBC's 5,600 weekly paid and 20,500 *monthly paid staff in* a common settlement, moving their respective dates from August and October *to April.*

The difference in the due date for the two groups has caused considerable strain within the BBC since the monthly paid staff felt that anomalies had arisen from them being caught by the cut-off date for pay increases at the start of Stage One *of Government pay* policy.

The deal will give an *increase of 8 per cent backdated* to October for the monthly paid staff and 10 per cent backdated to August for the weekly-paid staff, both to be paid in a lump sum, for buying out the settlement dates of both groups.

A further *payment* adding 9 per cent to the BBC's £150m wage bill will be paid from April 1. The *majority* of technical and production grades will receive increases of 9 per cent, with *10 per cent for the* weekly-paid staff and 11 per cent for certain low-paid grades.

The Home Office, which at the time of an award averaging 16½ per cent by the Central Arbitration Committee just before Christmas when the ABS called a total strike of its 15,000 BBC members, made it *clear* that any *breach of the 5 per cent* guidelines would be taken into account in considering any future application in the TV licence fee, is understood to have approved the 9 per cent increase.

The corporation, though, may be asked to fund some of the backdated lump sum *itself from* present licence fees.

Power men likely to agree on 9% offer

By Pauline Clark, Labour Staff

THE POWER workers' unions *look ready to settle* peacefully in the wake of the miners, and help Labour's *election campaign.* Yesterday their negotiators agreed to recommend a 9 per cent *pay offer plus an extra day's* holiday and consolidation of bonuses.

The *offer will be put to a* ballot of the 95,000 industrial workers which will not be completed until a week after polling day.

During last year's wage round a *ballot* conducted against a background of militancy in the power stations produced only a 500-vote majority in favour of a settlement worth over 20 per cent *for some workers.*

The unions led by the Electrical and Plumbing Trades Union and the General and Municipal Workers' Union "*unanimously*" agreed to recommend acceptance.

An influential but unofficial shop stewards committee will *not decide* for another two weeks, however, on its own response to the offer. Last year, *it recommended* rejection of the Stage Three deal.

Mr. Tom Crispin, national secretary for power workers in the Transport and General Workers' Union, said after several hours *of negotiations* with the Electricity Council: "We believe this is the best *deal we can make in the* prevailing circumstances and we believe it is no less favourable *than the miners' deal.*"

The offer will add £4.60 a week to the pay of manual workers on the *lowest* rate and £11.00 *to* the pay of those on the highest.

Average earnings for labourers are estimated at £75 a week, £90 for craftsmen *and £113 for foremen.* A previously rejected offer gave £1 less to the lowest paid.

Meanwhile, some progress was made on one of the union's main demands for equal holidays with non-industrial workers with the *addition of one day's holiday* for everybody and another day for those with over 25 years' service.

● Union delegates representing 70,000 drivers and conductors working *for* the National Bus Company, the Scottish bus group and seven independent companies will discuss on April 12 a pay offer worth *about 9* per cent.

Civil servants will present common front in wage talks

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE unions are expected to meet Ministers today after all eight unions closed ranks yesterday to present *a common front on* pay and press for improvements in the Government's "final" pay *offer of 9 per cent plus further* stage increases.

The Civil and Public Services *Association* and the *Society of* Civil and Public Servants yesterday pulled out 22 of their *members at the Polaris nuclear* submarine base at Coulport on the Clyde.

The eight unions at a meeting of the National Whitley Council Staff Side yesterday unani*mously decided to seek an early* meeting with Ministers to press for improvements in the 9 per cent initial payment: *for a* formula geared to helping the lower paid to replace the offered payment of *half* the rises due from the Pay Research Unit comparability study in August: and for bringing forward the timing of the remainder of the pay unit rises from March 31 next year.

The immediate agreement on pay—even the two unions whose executives *have* accepted the offer agreed yesterday to press for improvements—was reached *in spite of a crisis in the staff* side which led yesterday to the formal suspension of co-ordinated Civil Service bargaining and representation.

Mr. Len Murray, TUC general secretary, who had been in touch with general secretaries since Sunday on pay and the *split between the unions,* was told yesterday that the staff side had been suspended.

Mr. Bill Kendall, *staff side* secretary-general, offered his resignation at the meeting after the CPSA and the society made clear their lack of confidence in the present representative machinery, but his resignation was not accepted.

At the core of the split is a "*secret*" meeting last week before official pay talks between five moderate unions and Mr. Roy Hattersley, Prices Secretary, at which details of the 9 per cent offer were put.

Mr. Ken Thomas, general secretary of the CPSA, *said* yesterday that there would now have to be "radical" changes in *Civil Service trade union* representation.

● The Post Office, already hit by *unofficial action which disrupted* mail services, suffered another blow yesterday when 6,000 staff, *including* computer operators, decided to stage a 24-hour strike from 10.30 last night.

Union strife warning

BY IVOR OWEN

CONSERVATIVE policies will lead to more strikes and rising inflation, Mr. Peter Shore, Environment Secretary, claimed in London last night.

The "explosion" of public sector strikes over the past two months was an indicator of the troubles a Conservative Government could expect.

Mr. Shore *maintained* that things had suddenly gone wrong for the Government as a result *of the December Commons* defeat which forced it to abandon the policy imposing *sanctions against companies* which breached the pay guidelines.

"What the Opposition forced the Government to do was to try to operate not its own pay *policy,* but the very pay policy which Mrs. Thatcher advocates —control pay in the public *sector and leave the rest to free* collective bargaining.

"If the attempt were made to operate a pay policy of this kind, we could expect the public sector strikes we have been experiencing to become a regular annual event.

"Every year we would have *the rubbish* piled up on the streets. Every year we would have a disrupted health service."

He complained that Tory inflation policies as outlined by Mrs. Thatcher seemed to point to higher rather than lower rates of inflation.

"She plans to cut income tax. But how far does she intend to do this by switching the tax burden on to VAT, with its direct effect on prices in the shops?

"She plans to cut public expenditure. But how far does she intend to do this by raising the price of school meals, by raising rents and health service charges?"

West faces choice of elections

By Stewart Dalby in Belfast

MR. HARRY WEST, leader of *Ulster's Official Unionist Party,* is to announce today whether he will contest Fermanagh, *South Tyrone,* the Westminster seat he held briefly between the two 1974 elections.

At present, the seat is held by Mr. *Frank Maguire, who* describes himself as an Independent Republican. The constituency is *arguably one of two* natural Catholic majorities in the province.

Unless the Catholic vote splits, as it did in the first 1974 election, no Unionist has much chance of winning it.

The unknown factor in the coming Fermanagh election is whether Mr. Austin Currie, chief whip of the Social Democratic Labour Party, plans to stand.

The SDLP is the main voice of Catholic moderation in Northern Ireland. In Fermanagh, however, it tends to trail behind individualists like Mr. Maguire, a former Gaelic football hero. Mr. Currie has not yet said whether he will stand.

The betting is that Mr. West will not contest *Fermanagh,* because he is also planning to run *in* the European direct *elections.* His *party* does *not* allow dual candidacies, so he will have to decide which race he *wants to run in.*

He is known to be extremely keen to run for Europe. Mr. West, a farmer, *feels that* he can be usefully employed within European organisations in trying to gain a better deal for Northern Ireland's farmers, who suffer badly from the highly overvalued British green pound.

Moreover, *he* has a good chance of winning a European seat, while his chances in *Fermanagh* are *minimal* unless there is a Catholic split.

Weighell attacks Tories' past railways policy

BY OUR LABOUR EDITOR

A BITTER ATTACK on past Conservative policy towards railways and public enterprise has been made by Mr. Sid Weighell, general secretary of the National Union of Railwaymen.

He accuses the Conservatives of being allies of the road lobby "*to create a bonanza for private* enterprise at the expense of the public sector and the railways."

Mr. *Weighell's attack comes* in an editorial in his union's weekly paper, Transport Review. It is designed to encourage *the* union's 180,000 members and their families to vote Labour on May 3.

The Conservatives recruited Beeching to cut the network while a "major shift from road to rail was engineered," he *claims.*

"Nothing like so blatant an exercise of vested interests working for private gains has occurred in any European country, or even in the U.S."

A return to a Tory Government would be "disastrous" for the industry, Mr. Weighell writes. He also reminds members of the railwaymen's snub to the Conservatives' Industrial *Relations Act of 1971,* when a "cooling-off period" prescribed by that Act ended with a big vote in favour of strike action.

Mr. Weighell's attack—and his failure to mention the sometimes violent criticism he has made of Labour's lack of financial support for rail—comes as no surprise from a union that has always been staunchly loyal *to Labour.*

Times electricians sign new agreement today

BY ALAN PIKE, LABOUR CORRESPONDENT

TIMES NEWSPAPERS electricians sign a new agreement today, taking the company one stage closer to a resumption of publication *on April 17.*

Negotiations with the Electrical and Plumbing Trades Union chapel (office *section*), on revised terms and conditions of employment for the company's 92 electricians were concluded yesterday.

An agreement covering the electricians was approved by the EPTU executive earlier this year *but rejected by the men.* This resulted in an internal union wrangle which last month led to the suspension *of the union's* 1,200-strong London Press branch by the executive.

The London Press branch said yesterday that the new agreement, was more flexible on manning levels and other issues. The branch is now likely to be reinstated.

Times Newspapers' management and unions are expected to decide today whether to call in the Advisory, Conciliation *and Arbitration Service* to assist with outstanding negotiations. Under a formula agreed by *both sides with Mr. Albert* Booth, Employment Secretary, it was decided that issues not resolved by April 7 *should* go to ACAS for conciliation. Officials of the service are standing by to assist *if needed.*

The biggest problems are being experienced in negotiations with the 540-strong Sunday *Times machine chapel* of the National Society of Opertive Printers, Graphical and Media Personnel. Talks with chapel officials have failed to make progress and national officers of the union are expected to meet management today in an effort to resolve matters.

'Euro-sabotage' claim

BY IVOR OWEN

DISENCHANTMENT in Britain over membership of the *EEC* was caused by "sabotage" by leading Cabinet anti-Marketeers, Mr. *Peter Walker,* the former Conservative minister, told the European Management Forum Round Table in London last night.

He called for an all-out *effort during the Tory campaign* to revive the hope and vision reflected in the 1975 referendum.

Mr. Walker levelled his "sabotage" charge at Mr. John Silkin, Agriculture Minister, Mr. Anthony Wedgwood Benn, Energy Secretary, and Mr. Peter Shore, Environment Secretary.

It had been well known that the Common Agricultural Policy would be one of the most difficult areas of negotiation.

Mr. Silkin, an avowed and enthusiastic anti-European, was given the job.

But his methods *of* negotiation and public rhetoric were "designed to create maximum friction and disunity within the Community, and designed to see that the hostility created would allow little progress to be made."

The Government's failure to secure CAP reform is also attacked today by Mr. Nigel Lawson, a *Conservative Treasury* spokesman.

He said in a newspaper column that Britain had a genuine grievance but Mr. Silkin's huffing and puffing and clumsy posturing had achieved nothing in curbing CAP expenditure.

Metro men reject £114 offer

BY OUR NEWCASTLE CORRESPONDENT

NORTH EAST officials of the National Union of Railwaymen have turned down a pay offer of £114 a week for its 150 members to drive trams on the £160m Tyneside Metro rapid transit system.

The dispute poses a serious threat to the planned introduction of the super-trams in December, and is the latest in a series of labour problems which have plagued the Metro over the past two years. At one time the problems led to the Government threatening to withdraw financial aid.

The NUR's *national* executive meets next week to discuss the dispute, but the union has already said it will not agree to recruitment starting for Metro jobs, until the pay issue is resolved.

Mr. Alec McFadden, the union's regional organiser, said yesterday that another 10 per cent bonus for working unsocial hours at weekends was wanted.

"Under the Continental shift system, our members will be required to work three Saturdays out of four and about every *other Sunday. If that's not* unsocial, I don't know what is and we want paying for it," he said.

The £114 offererd by the Tyneside Passenger Transport Executive is £6 a week more than that on the negotiating table a week ago, and the executive says the increase takes weekend working into account.

Both sides are due to meet again later this month to try to break the deadlock.

Pickets' plea for court hearing out of town fails

MAGISTRATES in Nottingham yesterday turned down a request by a defence solicitor for cases involving people arrested at a *picket* outside the Nottingham Evening Post to be heard out of town.

Mr. *John Hodgson,* representing nine defendants, said that the picketing had been debated by *a Nottinghamshire County* Council meeting. During the debate, "the clerk to the county council was obliged to remind the members of the *sub judice* rules."

A full report of the meeting and pictures of the picketing had appeared in the Post. Two defendants could be identified from these photographs.

Charges against a total of 10 *defendants* include using threatening behaviour and obstruction of the highway. Mr. Ron *Knowles, editor of the* National Union of Journalists' newspaper The Journalist, is among the *accused,* who were all granted bail until the cases were heard in May and June.

Young Liberals ready to fight

YOUNG LIBERALS are prepared to break the law if necessary to achieve their goals.

Their manifesto, Fighting *for Tomorrow,* says: "We support the use of direct action when all other methods *have failed. Although it need* not be illegal, we are willing to break the law where necessary."

"Many unjust laws throughout the ages have been changed only after people have demonstrated their opposition in such strong terms. Working through the system cannot be successful where the system is biased or unjust, as it often is in Britain today.

The manifesto — which seems in places to contradict official party policy—also criticises Liberal attitudes on immigration.

"We are particularly opposed to the 1971 Immigration Act which brought a specifically racial tone to the *British immigration laws.* The Act distinguishes between white and non-white Britons, *based on partiality,* producing a situation where British citizens with a 'right of *residence*' are excluded on the basis of colour."

It also opposed incomes policies "which aim to *restrict pay rises of the lower* paid, so that they cannot maintain and improve their *living standards.*"

Mr. David Alton, the new Liberal MP for Edge Hill, yesterday gave his support to the manifesto. He said it showed that Young Liberals were coming forward with *new* ideas.

"There is a great danger that the *establishment parties,* and indeed the establishment of the Liberal Party, can too readily *damp down the ideas* of young people."

● Mr. Jeremy Thorpe will fight the election campaign without the support of the former leader of his constituency party, Mr. Charles Vaggers.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Wire rod quality greatly improved

CONTINUOUS, controlled water cooling of hot-rolled wire rod to produce a finished article of *uniformly high quality has been* achieved by SKF Steel of Hofors in Sweden.

EDC, the acronym for Easy Drawing Continuously, is the name of the process which results in a rod with little scale and good drawing characteristics. SKF has found that a high carbon rod subjected to the EDC treatment can be drawn to a 90 per cent reduction without intermediate annealing, which means a considerable reduction in processing costs.

Initially, in EDC, the rod is sprayed with water as it comes *from the last production stand* at around 900 degrees C. At this point it has an austenitic structure.

The spray can be controlled to reduce the temperature to 800 degrees depending on the grade of metal and the characteristics required.

From this point, the continuous rod is coiled down on to a conveyor running in a water bath so that a film of steam immediately forms around the rod, *insulating it* and reducing the rate of cooling so as to produce a fine lamellar pearlistic structure. As cooling continues, the film of steam is broken and nucleate *boiling takes place* which allows the cooling process to be speeded up.

Average cooling time for a high carbon wire rod is about 30 seconds. This can be changed by varying the angle and speed of the submerged conveyor.

Speed of cooling and colling in this process is such that scale formation is less than experienced with conventional equipment and what scale there is consists principally of ferrous oxide. Thus, time and cost of pickling can be considerably reduced. In fact, a rod can be made that is suit*able for mechanical descaling.*

Tensile strength of rod treated by EDC lies between that of air patented rod and lead bath patented rod, with most of its other characteristics being comparable with those of the latter. Drawing schedules remain unaffected with the exception that intermediate annealing is not required even in reductions from 5.6 to 1.32mm.

The process is extremely *flexible and simple to alter to* suit many needs.

Pneumatic vibrators

AN INDEPENDENT source of pneumatic linear piston vibrators, of British design and manufacture, is offered in a new range of 11 models from Pulsepower Process Equipment, 10 Hillington, Ilfracombe, Devon EX34 8LU (0271 63239).

Forces and displacements over the range are designed to meet the requirements of the majority of process equipment makers and *their customers.*

The vibrators are of the air cushion type, with the advantage that the frequency and amplitude can be varied independently of each other.

Instantaneous starting and stopping make the units suitable for either manual or automated systems. *Only* one moving part is employed and maintenance costs are claimed to be low.

In addition, because the units are *sealed* they can be used in hazardous, hot, wet, or even refrigerated conditions.

Applications will include *fatigue testing* of *components* and structures, agitation and mixing of liquids, and as the drive unit for linear and bowl feeders, sieves, screens and compacting tables.

● TEXTILES

Cloth cleanly slit

WITH MODERN high-speed looms it is common to weave a mock selvedge and then, if the *material* is thermoplastic, this is melted away by a heated element on each side of the machine. *With very wide looms* it may be that a single fabric is split into two, three or even more strips by the same technique.

Electrically-heated elements mounted on the loom offer some hazard to the weavers and there is comparatively high *consumption of power to keep* these elements at red heat.

New methods cutting and sealing fabrics have been developed in France. The device doing the work is called the Couptiss H.S. 30 and instead of heat this unit operates with ultrasonics.

Couptiss is compact and mounted above the thermoplastic material. Beneath the fabric is an anvil, or plate, against which the ultrasonic cutter vibrates. This pounds the material, generates localised heat and so separates the fabric and seals it.

The new system has been developed by F. Calemard and Cie (British agent: Marplex Machinery, 33, The Turnpike, Marple, Cheshire, SK6 6HG. Tel. 061 427 6587). It is by no means confined to use on looms but may also be used on, say, stenters as the cloth leaves the heating sections, or it can be mounted on inspection and rewind frames.

The new ultrasonic slitting and sealing system is reported to give an exceptionally strong seal, and does not increase the thickness of the fabric, unlike current equipment.

● WELDING

Mill repair plant starts to roll

AMID THE encircling gloom of the steel industry, a bright spot is the Sarclad operation, backed by world welding technology leader ESAB and the British Steel Corporation, which has announced a major export order for the Sarclad roll resurfacing package.

In brief, Sarclad puts new thick surfaces on the big steel rolls needed in rolling mills at a mere fraction of the roll replacement cost. This precisely controlled welding process can also be used in certain circumstances to effect extensive repairs on rolls for a few thousand pounds that otherwise would have to be scrapped at a cost between five and ten times that of the repair work.

Sarclad technology has been sold by BSC and ESAB to Ensidesa, the Spanish national steel company.

Specifically it is for Asturiana de Recargues Siderurgicos covering the supply of two Sarclad roll surface welding plants of five and 40 tonnes capacity respectively and for a specialised heat-treatment furnace.

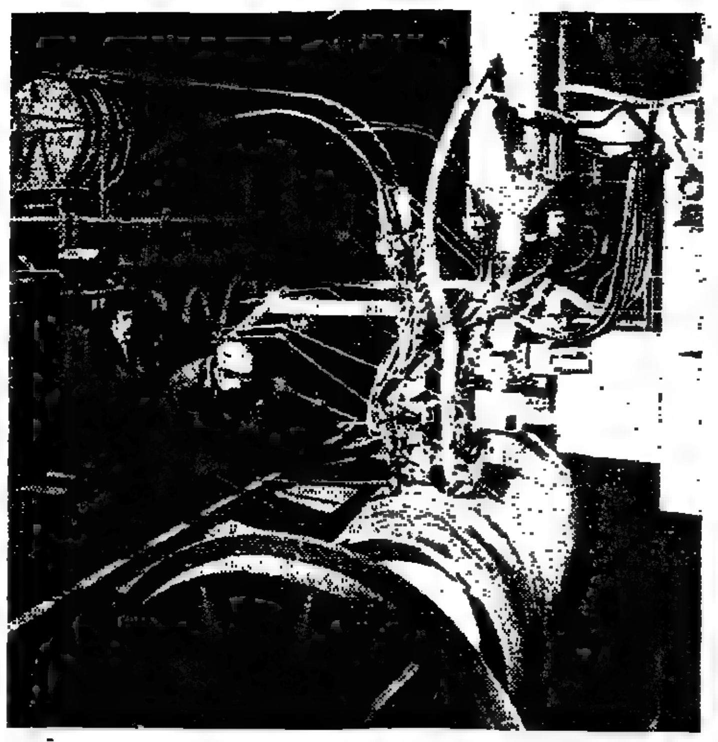
Apart from this, Sarclad has a three-year contract to supply the requisite welding consumables and provide the necessary technical back-up programme.

Asturiana is a new company being formed by Ensidesa and Soldastur and it will put up the Sarclad equipment in a new *factory to be built at Mieres in* northern Spain, serving steelworks at Aviles and Verina, but also other steel plants in Spain and in Portugal.

ESAB will build the welding plant while British suppliers will make the heat-treatment furnace and the specialised heating equipment.

Able to weld-surface mill work rolls, auxiliary rolls and casting machine rolls up to six metres long by 1.5 metres diameter, the equipment will be delivered early in 1980 and the contract price is over £600,000.

Further details from Sarclad International at POB 99, Brightside Lane, Sheffield S9 2RX. 0742 449071.



High performance surfacing metal being welded to a steel mill roll on Sarclad equipment similar to that which will be set up in Spain.

● INSTRUMENTS

Tight control of processes

FOLLOWING a four-year development programme and an expenditure of about £2m, Kent Instruments, a Brown Boveri company, is to launch internationally a comprehensive range of process control equipment, P4000, able to tackle everything from a single control loop to a major plant system with computer control and management information reprting.

The company is expecting to receive £1.5m worth of orders in the next few weeks from the metals, chemicals, power, and *fuel industries.*

Cornerstone of the design is single loop integrity — from 1-1,000 loops—ensuring a high level of plant security since failure of one loop will not affect others, a problem where common control is employed as in some existing systems.

Both analogue and digital techniques are used in the various elements — they can meet a present need but can be expanded simply by adding hardware. With common signal levels, interconnection is straightforward and it is possible to build a system with one totally equipped controller per loop, or with the display element of each controller separately mounted in a major display with the control electronics in cabinets elsewhere.

Whether this discrete or split architecture is used, the operator controls and indications are available on the DIN (144 x 72 mm) or IEC (175 x 75 mm) front panels of the controllers. Vertical column "thermometer" gas discharge bar-graph displays are used for the set point and measured variable, with a moving coil meter for the controller output. Set point is adjusted by thumbwheel, and on manual setting the controller output is inched up or down at fast or slow rates, by buttons. Variants of the display can be supplied to meet most needs.

If required, all the variables and settings of all the controllers can be mustered on the face of a colour crt monitor backed by *processor* and disc store. On this centralised display the operator is constantly presented with a status display of up to 30 groups of plant variables, and if any group is in alarm its alpha-numerics are flashed on the screen.

From the keyboard the *operator selects the group of* interest and then has the choice of bar-graph display of 27 plant items in that group, an annotated mimic diagram, trend display, or detail display of a single plant item.

A second keyboard associated with the display, for use only by the control engineer, allows changes to the display formats to be made on-line, including the construction of mimic *diagrams.*

Pure water check

ACCURATE and reliable monitoring of the effectiveness of water treatment can be carried out with a high resolution instrument, intended to record purity of water products from distillation, deionisation, reverse osmosis and other processes.

Water purity cannot be measured directly by detection of the presence of totally-dissolved solids and gases. The Pureaumeter, calibrated in micro-Siemens, gauges the water's specific electrolytic conductivity, which depends on the amount of dissolved inorganic *solids present,* and *provides* a direct and instant reading of these solids as well as a quick indication of (as a guide) organic and bacterial contamination.

Available with either visual balance meter or seven-segment LED display together with on/off *switch* and warning lights and controls on an easily-read front panel, the unit runs on 240V single phase 50Hz, with a consumption of 5 watts.

A sensing cell—typically a 1K thermistor cell — is immersed in water (or other fluid, provided suitable calibration has been specified) contained in a vessel or passing through a pipeline. The internal relay in the unit operates visual signals, remote alarms, lamps, recycle units, automatic valves or similar devices when the quality of the fluid is below that chosen on a set point selector.

Hysteresis is built in to prevent the relay from "hunting" as well as providing positive action at the trip point. Once connected to the cell, the unit continues to monitor the fluid and display quality. Temperature *compensation* is either manual by front panel control or automatic, using a special cell. Response time is less than 500 milliseconds.

Mason and Morton, M and M House, Frogmore Road, Hemel Hempstead, Herts. HP3 9RW.

● DATA PROCESSING

Improving performance

TWO high-performance options for the Eclipse S/250 processing system announced by Data General Corporation involve models 8660 and 8661 Satellite Processors (SPs). These are peripheral processing units available in general-purpose and array processing versions. Both include two circuit boards of independent processor logic, memory and I/O buses and implement the standard Eclipse instruction set with powerful extensions.

Each model, running standard Data General software, operates as a front-end or independent processor to offload significantly the host S/250 Central Processing Unit (CPU).

Model 8660 consists of 64K-bytes of parity MOS with memory allocation and protection (MAP) capability, mircoprogrammed with with a 200-nanosecond cycle time, an *independent eclipse S/250-com*patible I/0 bus, a soft-ware controllable console and an interface for high-speed bidirectional S/250-SP data transfer.

Model 8661, with its fast hardware array processing extension, consists of 56K-bytes of parity MOS memory and MAP plus 8K-bytes of high-speed, bipolar array processing memory, in addition to processor logic, 1/0 bus and S/250 interface.

Satellite processors are on the S/250 high-speed data channel and act as an input/output device.

Station able to converse

AES WORDPEX has added to *its range of word processing* machines the most compact Wordplex system so far built—Wordplex 2. Size reduction has been achieved by replacing the original free-standing storage unit and separate display with a combined screen and storage unit.

Only 5cm (2 inches) wider than the earlier models and using an identical display, the machine's compactness has been made possible by further design advances and the use of miniature discs for data storage. The discs are housed to the right of the screen and account for the *slight increase in width*

The new unit can be integrated into a multistation system without changes in hardware or operating methods. With the combined screen/disc unit goes a separate keyboard, which may be independently positioned for operator comfort, *and a high speed printer for* the production of hard copy.

The screen can accommodate 128 lines of text with up to 254 characters on each line. The viewing window will display 22 lines of 80 characters each at any one time, the desired area of the total text to be viewed being controlled from the keyboard. The bottom two lines display such information as tab and margin settings as well as line and page numbers.

The discs will hold up to 70 pages of text and will allow the merging of files when neces*sary.*

Being compatible with the multistation equipment, the new unit affords a low cost starting point for organisations with an eventual multistation need. It can communicate with the multistations, which itself can "talk" to other multistation complexes, and can also communicate with mainframe computers via the telephone network.

AES Wordplex is at 27 Fitzroy Street, London, W1P 5AF. 01-637 5065.

● ELECTRONICS

Autotest bureau

MANY MODERN electronic circuits, particularly if they are *digital (and the majority now* are), have reached a degree of complexity such that they can only be tested economically by using expensive equipment.

Clearly, companies that have top-class design ability (it might only be one or two men) and perhaps quite adequate facilities *for production, might not* be able to afford the necessary test equipment.

A new company intending to attack this market has now been set up by two ex-directors of Membrain. Known as Testech, it is located on Duck Island Lane, Ringwood, Hants, BH24 3AA (04254 77982) and will undertake the preparation and checking of test programs on a sub-contract basis, followed if required by testing, fault iden*tification and repair of batches* of sub-assemblies using software controlled test equipment.

Thus, Testech can provide a service to those already using automatic testing, or can provide all that is required to a company that does not have the volume of work to justify the *acquisition of test equipment* and personnel.

Business link will give more power

DEC and Hoskyns have reached an agreement under which DEC will market Hoskyns modular applications systems for minicomputers (MAS-M) on its DEC data system-500-line of commercial computing equipment.

MAS-M has been designed by *Hoskyns specifically for this* series and is a culmination of 12 years' experience of designing and implementing business application packages. The programs have 10 modular elements which can be installed separately, enabling users to phase computerisation of their *business or to grow and expand* at a pace exactly suited to their needs. Hoskyns pioneered turnkey work on small ICL machines and on segmented programming techniques.

Application areas are: accounts receivable, order processing, general ledger, inventory control, *accounts payable,* invoicing, inventory accounting, bill of materials, material requirements planning, and purchasing.

This unprecedented move by DEC is a result of growing awareness that the principal computer investment made by *commercial users is increasingly* in applications software. DEC has been cutting equipment costs and sees provision of tested application systems as the answer to the needs of many users, including some running their own large machines.

One of the most attractive *selling points in this move is* that a user needs no computer specialists: Hoskyns with 500 personnel in the UK provides this support and, outside Britain, is backed by the 1,500 experts within its Martin Marietta parent.

Hoskyns Group, 145 St. John Street, London EC1V 4QJ.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Dollar Land—ten years on

THE LONG-SUFFERING shareholders of Dollar Land this week find themselves receiving some more bad news from Mr. Hugh Brackett, the ever-optimistic chairman.

Just when it was beginning to look as though the company, after more than 10 years of litigation over the sale of its U.S. properties, could clear the decks for the restoration of its Stock Exchange quote, new "uncertainties" have arisen.

Although Mr. Brackett confirms that the seemingly endless dispute between the company and a group of shareholders has been resolved, he admits that the sorry saga is not yet over and asks shareholders to remain patient a little longer.

The problems of Dollar Land began in 1968 when it sold what constituted all its U.S. property assets, the Parkdale Plaza Shopping Centre in Corpus Christi, Texas, an office building in Orlando, Florida, and the Cross County Shopping Centre in Yonkers, New York.

An inclusive price of $27.5m was agreed with purchasers Brook Realty but a group of Dollar Land shareholders, lead by Mr. Sol G. Atlas, who developed the Cross County Centre and was a major shareholder in and financial supporter of Dollar Land, took out an injunction to stop the sale.

The group claimed that the price was much too low for what were substantially all the group's assets, and succeeded in dismissing the board and appointing new directors. They also won a temporary injunction to stop the sale being completed.

In the following months of confusion, shareholders voted against receiving the accounts, found at one stage that they had no properly qualified directors, and saw their company's shares suspended.

Calls for a winding-up order were accompanied by demands for an official investigation into Dollar Land's affairs by the then Department of Trade and Industry. Neither came about, though in 1971 the Ombudsman criticised the department for not appointing inspectors to examine the company's affairs, which had by then even been raised in the House of Commons.

Litigation, if precious little else, progressed at a pace. Soon Dollar Land, Brook Realty and the Atlas faction became embroiled in a legal tangle over whether Brook should be granted specific performance of the contract to buy the three properties in question or whether it should be granted damages or both.

Not until November 1977 was the sale of the properties finally completed, with a provisional loss of just over £1.5m now having been included in the consolidated accounts for the year ended December 1977.

By October of last year, shareholders were also in a position to vote in favour of an agreement to disentangle the company from the row with the Atlas group (Sol Atlas died in 1973 but his estate and supporters carried on). Mr. Brackett had threatened to resign if his plan was not accepted. It involved a £450,000 out-of-court settlement, by way of a 25 per cent share in Dollar's U.S. mortgage loans, on actions which had claimed the best part of £2m.

The settlement, which gave a surplus of £1.88m included in the profit and loss account for 1977, was accepted without the expected show-down between pro and anti board groups. The group emerged with net assets of 84p a share and usable tax losses in its Canadian and U.S. operations.

But hopes of a Stock Exchange re-listing were clearly premature. Mr. Brackett this week took comfort from the fact that Dollar Land shares were being informally traded at between 46p and 52p per share (around 20p was the going rate for much of 1978) but said that any application for a fresh quotation was still out of the question.

For if the Atlas interests and those of Dollar Land are identical for the first time in a decade, neither group is yet free of disputes and litigation. Part of the deal with Brook Realty allowed for post-completion adjustments to the purchase terms, which Dollar Land believes could be worth nearly £500,000 more than the original figure but which Brook Realty (now Brook Shopping Centres) is disputing.

This is likely to remain unsettled, however, until the result is known of Brook's claim for damages for the increase in the cost of redeveloping the Cross County Center as a result of the nine-year gap between the completion date stipulated in the original sale contract and the actual closing dates. A decision, Mr. Brackett says, should be reached before the end of this year and advisers say the chances of succes for Brook are slim.

A further complication is an action, started by Mr. Atlas before his death, claiming a refund of real estate taxes in New York on the Cross County development. If successful, lawyers would be due for 25 per cent of any amount recovered and the action would also affect the purchase money mortgage element of the Dollar Land sale to Brook (estimated at just over £2m).

Two other minor items of litigation unconnected with the property deals have also to be settled, although both should be out of the way within a few months.

Mr. Brackett says that when all these matters have been concluded, the accounts of the company should be straightforward and the "voluminous notes which have been appearing year by year should be reduced to the normal proportions of notes to the accounts of a properly run company."

For the time being, Dollar Land's consolidated accounts show an accumulated deficit of £1.68m and one remaining income-producing property—the Bristol Aircraft building in Montreal—on which the directors are unable to place a value.

Tarmac drops plans for £2.5m head office

TARMAC HAS decided not to go ahead with plans to build itself a new £2.5m executive headquarters about three miles from its existing group head office in Wolverhampton.

The proposal was to develop two acres of a 22-acre site which the group has owned for 20 years at Danescourt, Tettenhall. A planning application was submitted about a year ago.

The land in question is green belt — recently redefined as green "wedge"— and the application was due for a planning inquiry in a few weeks.

Tarmac was not, apparently, afraid of a planning fight. The company claims pressure on office space throughout its principal operations in the town has eased — head office has recently undergone what by all accounts has been a fairly painful slimming process — and so existing accommodation is now available.

It also says the money designated for the Danescourt development—it would have housed strategic management from the group's various operating divisions — would be better invested in the business.

Tarmac, which has not had the easiest of passages recently, with big losses overseas and a fair amount of internal upheaval, has three principal operations centres in Wolverhampton.

Abbey Property tops £300m

THE ABBEY Property Fund has broken the £300m barrier, which it claims makes it more than twice the size of any other similar fund.

Since its launch in 1967 the unit offer price has risen by 146 per cent, including reinvested income, and in the four years since the end of the property recession it has increased by over 83 per cent on an offer-to-offer basis.

The fund now stands at £309m and comprises nearly 200 different properties involving about 600 tenants. It encompasses offices, shops, factories, warehouses and agricultural land in the UK and commercial and industrial investment in Europe.

Mr. Derek Flack, Abbey senior property manager, says the quality of the fund has improved further in the last six months due to a combination of purchases, sales and successful development lettings.

During the last half-year, more than 350,000 sq ft of accommodation has been let. More than 80 per cent of this has involved industrial space on new factory and warehouse estates and, at present, out of an industrial portfolio of about 4m sq ft, the fund has no space to let immediately available. In the last six months, eight new freehold acquisitions have been made at a cost of about £9m.

The percentage of freeholds held has risen to more than 80 per cent, the remainder being long leaseholds mainly with 100 years or more to go. Emphasising that the rent review frequency is one of the acid tests in judging the quality of a portfolio, Mr. Flack points out that, for the first time, more than two-thirds of the fund's rental income is subject at least to five-yearly rent reviews. The bulk of the remainder are on a seven-yearly pattern.

Now, 75 per cent of Abbey's tenants are to comprise public companies, government departments, local authorities and other statutory organisations. The fund intends to continue to create a good proportion of new investments via development, particularly as the supply of good quality, completed investments available on the market at prices which allow performance objectives to be met is likely to remain limited.

Abbey says that while it intends to concentrate mainly on office and industrial development projects, it also hopes to become involved in a few carefully selected town centre shopping schemes as well.

Richard Ellis makes French acquisition

RICHARD ELLIS has celebrated its tenth anniversary in Paris by acquiring the largest commercial estate agency in France — GIM (Groupe Conseil en Immobilier D'Enterprise).

The merger will reinforce Ellis' agency department which will be headed by Gerard Aubert, the former GIM president and one of the best known commercial agency men in Paris. The deal means that Ellis holds sole instructions on about 3m sq ft of office property in France.

Still in France, the Paris office of Jones, Lang Wootton has sold the office complex at 16-18 Avenue George V to Allianz, the German insurance group, for £7.4m. JLW was acting on behalf of Revillon Freres and the sale figure was close to the asking price. The building has a total floor area of around 70,000 sq ft and also has frontages to the Rue Marbeuf and Rue de La Tremoille. Most of the space will, after refurbishing, be ready for marketing in 1980 and is expected to command top rents in view of its prime position.

● Industrial space available in East Anglia is falling and rentals are increasing, according to agents Drivers Jonas which this week has opened a regional office in Norwich.

● The property market in Scotland is "extremely buoyant," with the retail sector doing particularly well, according to agents Richard Ellis.

Increased consumer expenditure has led, they say, to an unprecedented demand for retail outlets by national and local shop operators. In fact, 1978 saw the culmination of a six-year cycle of rental growth which has created new demand and supply patterns in all the high streets of Scotland.

Ellis says that locations such as Argyle Street, Glasgow, and Princes Street, Edinburgh, have recorded very high rental growths. Rents of up to £50 per sq ft have been achieved in Princes Street, while in Sauchiehall Street, Glasgow, they have reached about £22.50 per sq ft.

● The charity clients of agents Leavers who last week paid £2m for a Victorian office, shop and flat development, have now paid £1.25m for 85,000 sq ft of industrial space in Honeypot Lane, London, NW9. The building has a rental income of £120,000 a year.

INDUSTRIAL AND BUSINESS PROPERTY

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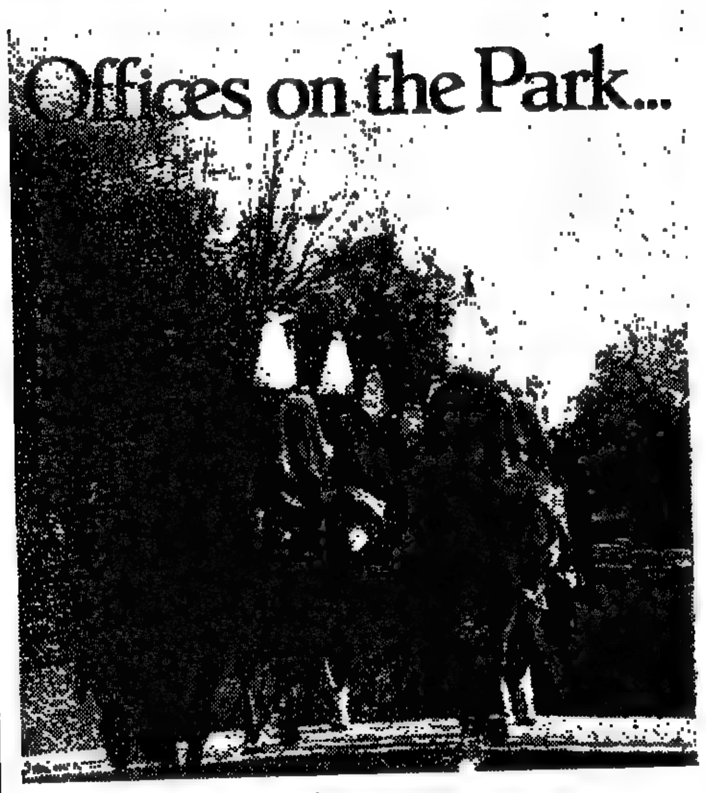

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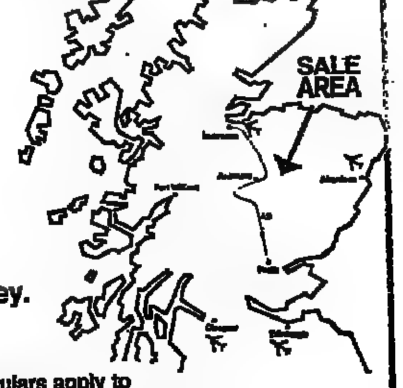

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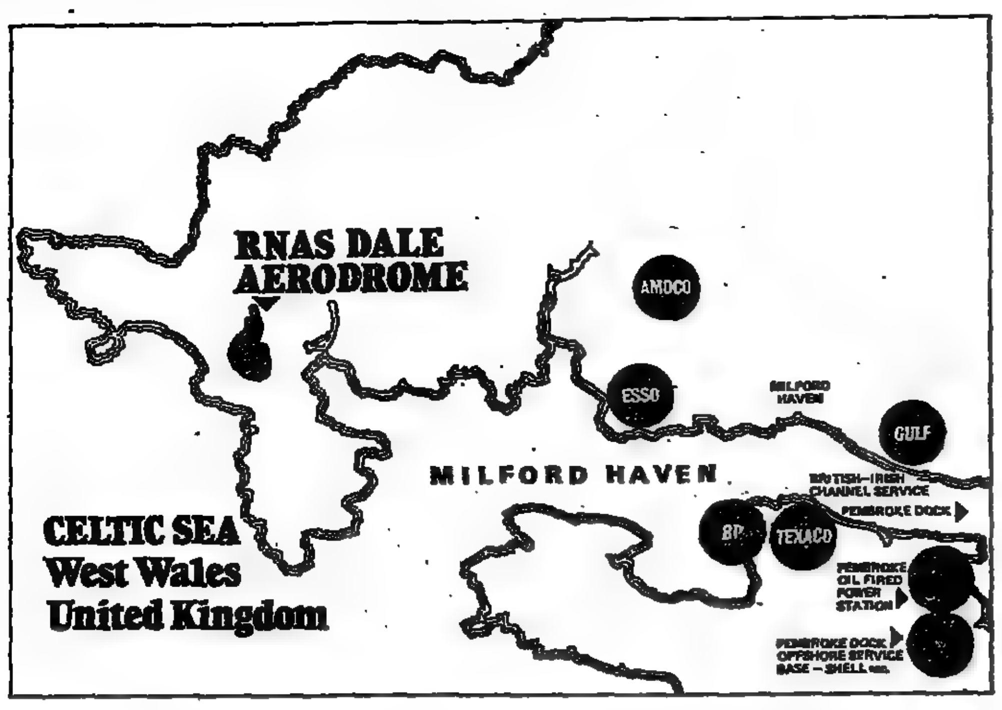

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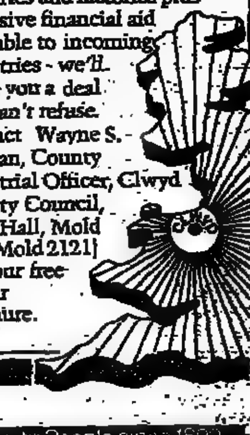

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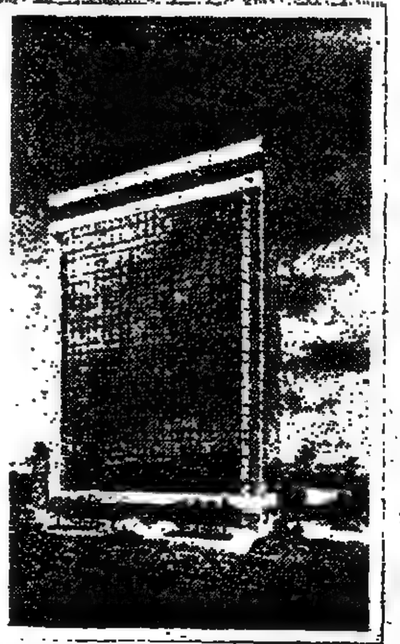

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Nicholas Leslie on a plan to tap the experience of older executives

A 'talent bank' for industry

WHEN John Angelbeck and Philip Gibbs established Executive Stand-By five years ago their modest aim was to help find short-term assignments for older executives who had either retired early or had been made redundant, but who felt they still had some expertise to offer.

Very early on the two men's horizons widened. Instead of only seeking assignments in the UK they found themselves placing executives overseas as well, in both short and longer term jobs.

In the process, they began to build up a register of people whose disciplines ranged across such areas as accountancy, engineering, personnel, works management, marketing and production. Former directors of large organisations and smaller companies also became clients.

Angelbeck has now devised a scheme for a "national talent bank" which aims to use the Executive Stand-By register as the basis of a much larger pool of executive talent, in age groups ranging predominantly from 50 upwards, but not excluding those in their 40s. All will be seeking the type of assignment in which Executive Stand-By has come to specialise.

It is reckoned by Angelbeck and Gibbs that there are around 30,000 older executives who "wish to continue being productive members of the community." On the other hand, Gibbs acknowledges that not all of those registered with Executive Stand-By would in practice be willing to take up assignments at short notice after they had been retired for a while.

Problem

Of those registered with Executive Stand-By a fairly large number have not been found assignments for one reason or another. Part of the problem has been the continuing reluctance of industry to consider people in the upper age groups. "For the over 50s the chances of jobs are not very good," comments Gibbs.

Angelbeck plans to draw together other organisations bearing the Executive Stand-By name, but which are independent of his own company. These cover the Midlands, the North-East, and Wales and the West. Angelbeck's Executive Stand-By has around 700 people on its register from 281 different organisations—the basis of the talent bank—but this rises to over 1,000 with the other organisations, all of which are non-profit-making but which none the less aim to operate on a commercially viable basis.

At the launch of the scheme this week interest was shown by some major industrial figures and by similar organisations which have broadly the same objective as Executive Stand-By.

The industrialists included Sir Jack Callard, chairman of British Home Stores (and former chairman of ICI), Sir David Barran, director of Midland Bank and former chairman of Shell Transport and Trading, Sir John Partridge, director and former chairman of Imperial Group, and Lord Plowden, president of Tube Investments.

It is no coincidence that directors of large companies such as these should have been present, since many have a policy of offering early retirements. Indeed, ICI provided Angelbeck (himself a former ICI executive) and Gibbs with financial and other assistance in the early days of Executive Stand-By (and still does provide non-financial support), as did Pilkington Bros. and Bass Charrington. Executive Reserve, a similar organisation started just over three years ago, has had the backing of BP, which also operates early retirement schemes.

Not surprisingly, a fair number of former executives of large companies are on the Executive Stand-By and Executive Reserve registers. And, as Angelbeck remarks, his "national talent bank" will, in particular, "make available more generally the sophisticated skills that tend to be associated predominantly with the large corporation."

Useful skills

The skills are felt to be particularly useful for medium and small companies, for example to help them over a particular difficulty or to fill in a gap until a permanent appointment has been made. They can also help in setting up an entirely new enterprise or in projects being carried out by a voluntary organisation (in which case Executive Stand-By waives its fee).

According to Gibbs, Executive Stand-By has to date filled about 400 vacancies in 80 different organisations. These have included an engineer to supervise erection of a bridge by local labour in Brazil, a director with an accounting background to help in the handover of a family food processing business from the owner to his inexperienced daughter, and a general manager for a hosiery company in the hands of a receiver.

For voluntary organisations an accountant has been found for the Women's Royal Voluntary Service and several people have been provided for various of the Councils of Voluntary Service around the UK. Then again, people have been found for British Executive Service Overseas—an organisation operated by the Institute of Directors which specialises in short-term and unpaid assignments to the developing countries.

Other organisations represented at this week's "talent bank" launch included the Forty Plus Careers Development Centre, a non-profit making concern sponsored by leading UK companies and the Manpower Services Commission which aims to help executives to become more effective in marketing themselves when looking for jobs. Similar organisations exist in the U.S. and Canada.

Another, again similar, concern was the THinc Group (UK), a subsidiary of the THinc Group Inc. of the U.S.

Executive Stand-By will be operating its national "talent bank" from its headquarters at 310 Chester Road, Hartford, Northwich, CW8 2AB, telephone Sandiway 883849.

Poor social status, little reward and second-rate skills

BY CHRISTOPHER LORENZ

Yamaha used British design proposals the UK industry turned down

THE CURRENT British debate about how to stimulate industrial innovation is in danger of ignoring the two most important problems of all—the shortage of high-quality engineers, and the discouraging socio-economic environment.

This common theme emerged this week from two very different meetings: yesterday's annual conference of the Design and Industries Association (DIA) and a discussion on Tuesday at the Institution of Mechanical Engineers about the report on Industrial Innovation submitted by ACARD* to the Cabinet Office.

British companies should not be surprised that they are so short of good engineers. Professor Gordon Blair of Queens University, Belfast (and design consultant to Yamaha), told the DIA meeting. For generations engineers had earned poor salaries in the UK; in a capitalist society this inevitably produced poor social status, he pointed out.

To study law or medicine today, a potential student will need three "A" grades at GCE A level, Professor Blair said. But for science or engineering he will need only three "Cs" for university entrance, and maybe only three "Ds" for a polytechnic course.

Rebutting criticism from various government and other committees that "university engineering research is of an ivory tower variety with little relevance to industry," Prof. Blair said "if my graduating Ph.D. students are seduced one after the other to American employment, you can be sure it is not because their know-how on engine design is considered irrelevant."

Professor Blair has become widely known following his success in persuading Yamaha, the Japanese motor cycle maker, to adopt design proposals which the British motor-cycle industry had rejected. He told the DIA that research by his unit at Belfast was being sponsored by the Japanese, Germans, Austrians, Italians, Spanish, Swedes and Americans.

Who will act first "to get the best school-leavers into engineering, before we secede as an industrial power?" Prof. Blair asked. Will it be government offering the highest university scholarships to engineering students, as has occurred in Ulster for a decade and as was recently proposed by the University Grants Committee for "the mainland?" Or will it be industry offering "the correctly-sized carrot" to good engineers?

Pointing to the experience of the Republic of Ireland, Prof. Blair said that for the past generation engineers were the best-paid university graduates. As a result, he suggested, the best-qualified school-leavers study engineering at university.

In other words, the normal forces of supply and demand *had solved the Republic's* shortage of engineers. "Should we try it?" he asked.

Forceful

The argument about engineers' pay, and the much broader question about whether the "welfare state mentality" discourages enterprise and excellence, was echoed at both meetings. One of the most forceful speakers at both was Mr. Kenneth Corfield, deputy *managing director of Standard* Telephones and Cables and author of the recent report for NEDC on Product Design**.

"For decades the govern*ments of this country . . . have* led us down a path of strictures and stringencies of bureaucratic control, of high taxation, of huge and increasing state expenditure burdens, and have set a pattern of mediocre performance and average competence which makes it extremely difficult for the wealth-creating sector of our industry to shine," Mr. Corfield argued at the DIA meeting.

Exorbitant tax rates freeze capital, Mr. Corfield complained to the mechanical engineers, making it cost effective only for money to be moved around, *often inefficiently, within* a company, rather than being paid out in dividends to the investor so he can invest it in more efficient enterprises elsewhere.

Enlarging on this theme at the DIA meeting, he said successive governments had put ever-increasing obstacles in the way of wealth-creating industry, so that "large-scale industry is almost totally dependent on capital provided by the taxpayer, since the reformation of capital through profitability in the private sector has been so seriously inhibited.

"The resulting distortion of the market has created a dependence which itself calls for further government aid, so perpetuating a vicious circle of declining ability to compete in the real world."

Another constraint on innovation debated by the Institution of Mechanical Engineers was an all-too-common lack of marketing experience. Engineers in the profession should be given more, both in industry and *before they left university,* urged several speakers, including Sir Hugh Ford, head of the Department of Engineering at Imperial College, London.

Commenting on the ACARD report, Mr. Gordon Dawson, President-elect of the Institution and head of the Zenith Carburettor Company, said that the most important immediate concern in innovation was the application of existing technology to manufacturing, rather than advanced technology, which was a long-term issue. He *also suggested* that small companies frequently required less help than medium-sized and large ones with existing technology.

* *Industrial Innovation, published by HMSO for the Advisory Council for Applied Research and Development. From Government bookshops. Price £1.*

** *Product Design. Available from NEDO Books, 1, Steel House, Tothill Street, London SW1 9LJ.*

Turning a tough mission into an export success

BY RHYS DAVID

THERE TENDS to be a sharp divergence of opinion about trade missions between those who go on them and those who do not. Any participant will tell you about crammed schedules, tough negotiations, long airport delays and the like. But the sceptical listener is more likely to think of it in terms of travel to exciting places, relaxed evenings in the bar or expensive restaurants, and all at somebody else's expense.

So when one particular mission collects unsolicited praise from British Government officials responsible for promoting trade in perhaps the most demanding European market of them all—Switzerland—it suggests at the least that the approach must be worth examining.

The mission—organised by Leeds Chamber of Commerce—came about as a result of the Chamber's view that while the bigger companies could handle *the development of markets* in Europe themselves, smaller companies thinking about exporting for the first time might need some help. West Yorkshire itself has a highly diversified industrial base consisting of many small engineering, textiles, clothing, chemicals and other manufacturers, and with the decline of sterling a *number of these have* begun to find exporting potentially attractive. Their requirement is for relatively near markets where they are able to follow up inquiries quickly and offer prompt back-up service.

As such they had been falling between two stools, unlikely to benefit from long-haul missions sponsored financially by the British Overseas Trade Board, but in need of some assistance, financially and otherwise, in order to open up markets in Europe.

The finance problem was solved, according to John Stockdale, an official of the Leeds Chamber, as a result of the willingness of the local authorities to help. West Yorkshire is unusual among local authorities in earmarking funds within its industrial development budget to help the area's chambers with export promotion. Leeds City Council was also willing to help with funds.

A more difficult problem is to ensure that missions are effective, and that the time of those participating is well-used. In the event the first Leeds mission this time last year to *the Netherlands provided* a good test run. By the time of the Swiss mission at the end of 1978 a system had been worked out which placed heavy emphasis on advance preparation.

Well before the mission's visit to Zurich Mr. Stockdale conducted a series of interviews with participants at which he armed himself with details of the products they could supply and the type of deals they would like to arange with Swiss contacts. A preliminary visit to Switzerland was then made, at which he was able to brief British consular staff, the British-Swiss Chamber of Trade and leading Swiss banks, about those on the mission, what they made and what they were hoping for.

With this amount of knowledge about the companies, the consulate was able to play a much more effective role *itself* in helping the mission. Working closely with the Chamber in Leeds, the consulate was able to co-ordinate appointments suggested to it with other meetings arranged directly by the companies themselves.

At the start of the week-long visit itself, the consulate laid on an initial reception at which the 12-strong mission was able to meet representatives of Swiss business, banking and Press; the following morning the members of the mission were given a full briefing on the *Swiss economy* and on Swiss commercial practices.

Those selling consumer products, for example, were warned that Swiss retail groups tend to seek exclusive rights in their market areas and also that the mark-up—by UK standards at least—on consumer goods is very high. Following the briefing, the consular staff worked out for each individual a full programme of visits, with the schedules detailing train times and tram numbers.

The fruits of such a visit are clearly not expected immediately, but members of the group nevertheless came away well satisfied. Two companies took firm orders worth £35,000 in total, five companies took trial orders worth £2,000, eight appointed Swiss agents, *one company arranged to have* its product manufactured in Switzerland and two companies arranged for potential customers to visit the UK.

With the new business fixed up the tired businessman can prove that he has not been on just another jaunt.

LOMBARD

Politics of a blast furnace

BY GEOFFREY OWEN

IN THIS column on March 16 I criticised the suggestion made by Sir Richard Marsh that the British Steel Corporation could never be returned to private ownership and that everyone should stop arguing about it. My belief in a return to the private sector—as a medium-term objective if not something that could be achieved overnight by a new Tory Government—is greatly strengthened by the events of the past few weeks. The plain fact is that as long as they are controlled by the Government the managers of the BSC are not free to take commercial decisions in the best interests of the business. The interference is more surreptitious than at times in the past and because of the change in personalities there are none of the shouting matches that used to take place between Sir Monty Finniston and Mr. Anthony Wedgwood Benn when he was at the Department of Industry. But the basic problem is unchanged.

The latest flare-up has come over imports of coking coal. The BSC is planning to commission in July a very large blast furnace at Redcar in the North East. When this furnace was planned six years ago, the intention had been to feed it with 100 per cent British coking coal. But since then technology has advanced. The BSC management reached the conclusion that if the new furnace was to work efficiently, producing iron of the right quality and at the required rate of output, it would need coal of a higher quality than the National Coal Board could provide: the preferred mix was 25 per cent home-produced, 75 per cent imported.

Miners' lobby

During last year the BSC had discussions with the Departments of Industry and Energy—and of course with the Coal Board—over the supplies of coal to Redcar. The BSC and the NCB, not surprisingly, did not see eye to eye. The problem was examined by the two Ministers, who pressed the BSC to look again at the technical merits of using home-produced coal. This was done and the BSC agreed to increase the proportion of British coal to 45 per cent—higher than its technical experts preferred, but apparently bearable. Ministers were still not happy, but the BSC made it clear in March that if the commissioning date for Redcar was to be met, contracts with the Australians would have to be signed very shortly—and they were, towards the end of last month.

Then the miners' lobby got to work. It was put about that the BSC was behaving with callous disregard for miners' jobs, that the NCB could meet Redcar's quality needs and had made investments specifically for that purpose, and that Ministers would probably veto the Australian contracts. Mr. Eric Varley responded to the pressure with alacrity, making full use of that cowardly Ministerial device—the non-attributable Press briefing. This week he seemed to be suggesting that the BSC management had gone behind Ministers' backs in signing the contracts. In announcing plans for a new licensing system to control coking coal imports, he implied that the contracts might be cancelled, although the official statement from the Department merely spoke of securing the maximum use of British coal "consistent with the viability of the steel industry."

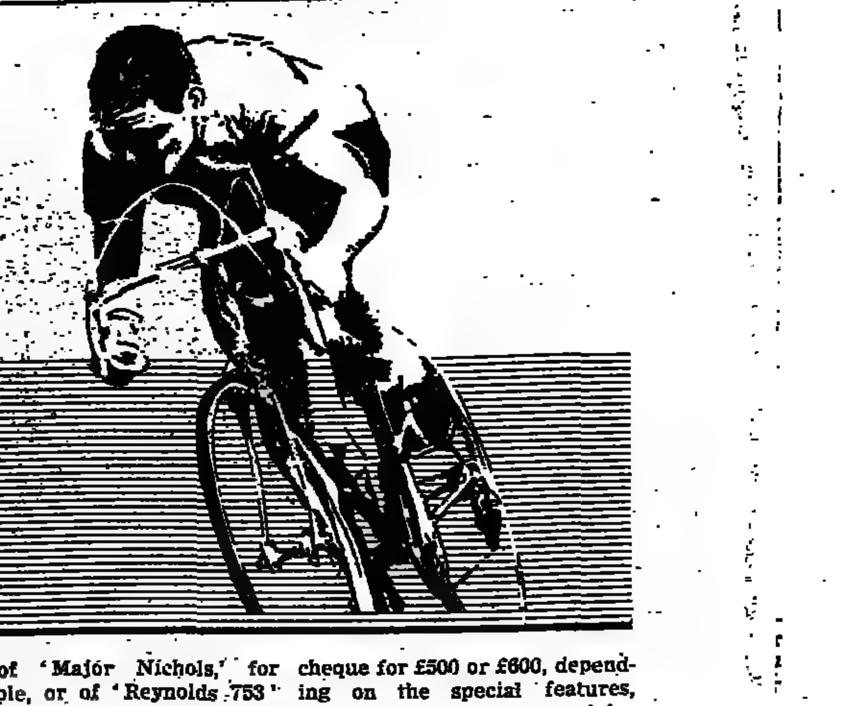
Long-delayed

Maybe all this is a jolly pre-election fling by Ministers which we aren't meant to take seriously. But let's suppose that they do force the BSC to renege on the Australian deal, as is administratively possible. Quite apart from the diplomatic and commercial repercussions, the effect on the Redcar furnace would be very serious indeed. This furnace is twice as big as anything the BSC has yet installed, though there are three operating in other parts of Europe (notably at Taranto in Italy) and several in Japan; it is part of the long-delayed modernisation of the British steel industry, but bringing the furnace on stream will be a delicate and difficult operation. Using all-British coal would not only be dangerous, but would undermine the economics of the investment.

Perhaps Ministers have in mind a chain of reciprocal deals, whereby British Steel is forced to buy poor-quality coal from the Coal Board, British Leyland is forced to buy poor-quality steel from the BSC and the British people are forced to buy poor-quality cars from British Leyland. It sounds a splendid recipe for the regeneration of British industry.

Aristocrats on two wheels

BY PETER CARTWRIGHT



NO ONE, even at Sandhurst, would confuse Major Nichols with a member of the officer's mess. He is, in fact, one of a band of dedicated former cyclists who have pleasurably combined hobby and work to custom build bicycles for equally dedicated and discerning cyclists in various parts of the world. But it is a fairly safe bet that his slightly battered corner shop in Durban Road, Smethwick, on the borders of Birmingham, is, among the cycling fraternity at least, as well known abroad as the more redoubtable Sandhurst.

Major is Mr. Nichols' christian name and when he came out of the forces—he was in the Royal Navy—he took over from his father, whose shop in West Bromwich was well known when bicycles were the fastest road machines in the world. Like all the others, Mr. Nichols is deeply imbued with the craft and mystique of the business, a request to look into the workshop being met with a smile and deprecatory shake of the head: "All my secrets are in there."

The handful of purpose-built frame and cycle makers are in a direct line of descent from an earlier era when British quality was world renowned. "You either want to make money or make bicycles," Mr. Nichols explains.

What the customer gets is the devotion to detail, benefit of long technical experience and quality of finish to satisfy even the most demanding racing cyclist. Most of the craftsmen have either themselves finished among the high places of international events, or their cycles have. A few years back, Major Nichols' machines won three of the first four Campagnola Trophy championships in Italy. At the other end of the scale, he is building a couple of machines for Bert Griffiths, a well-known cyclist who at the age of 71 is shortly to set off round the world—again.

AROUND BRITAIN

Another frame much sought after by specialist assemblers, club members, athletes and those taking up cycling for exercise is the Mercian, made at Derby by Bill Betton. Customers can buy either a standard or special bike, or just the frame and wheels to which they can add their own components from an old machine or new ones of their choice. The Professional racing model, successfully raced by a Scottish toy maker, soon gained an international reputation. Bill himself is no mean performer either. Back in 1964 he won the South Pennine road club's 12-hour trial with 247 miles to his credit, a record that still stands. Today he confines his enthusiasm to riding the dozen miles to work, going back "the long way round" on fine evenings.

While Mercian is one of the biggest in the hand-built business, with 1,500 new and 1,000 renovated frames a year out of the door, it is essentially a modest enterprise.

There are six frame makers, plus two apprentices and four men employed on shot blasting, spraying and fixing transfers. The office is tiny, no more than 10 ft x 7 ft and when I called I made a crowd. Just to emphasise the family nature of the business, Bill's wife Sue, also a keen cyclist, was at the desk sorting out the mail and the rest of the office was taken up with filing cabinets and a cupboard, leaving room for Bill and just one visitor.

In the day's mail was a letter with obviously amateur, but quite specific drawings of the distance between hubs and bottom bracket gearwheel, length of forks, and so on. This came from J. Michael Deal, of New Orleans, who wanted a replacement Vincitore model for one that had ben stolen. He should get the finished machine in three or four months, an indication of the backlog of orders. Americans are among the biggest customers, and Mercian recently won an order for £10,000 worth of machines including some newly introduced tandems which can cost up to £1,000, depending on specification.

Much of Mercian's frame production goes to small, one-man shops and assemblers all over the country. Go into Tommy Godwin's shop in King's Heath, Birmingham, for instance, and you will see hanging up a line of gleaming frames from Mercian, Dave Moulton (Worcester), Bob Jackson (Leeds), Holdsworth (London) and the more exotic models, costing £160 or more, from Raleigh and other mass production factories.

People appear to buy them for two reasons. They want the satisfaction and pride of riding a superb piece of machinery—and they want others to see it, too. That is why the bold transfer of 'Major Nichols,' for example, or of 'Reynolds 753' lightweight alloy (which brings the frame weight down to 5 lbs) are so important. They put the owner ahead of ordinary mortals.

And the cost? — A pair of custom-built wheels will set a customer back at least £50-£60, with hubs costing £40 and rims up to £15. Then there are the spokes, which will differ according to whether the machine is to be used for competition work or lugging camping equipment around. A standard frame costs £70-£80 and a quite ordinary machine £160-£180. A cheque for £500 or £600, depending on the special features, incorporated, is not unusual for a top of the market model.

The business is booming now. But in the 'Sixties, when people were more interest in acquiring cars, it was poor and no one wanted to come into it. Now, two- and even three-car families are commonplace; cycling is coming into its own again and attracting youngsters into apprenticeships and dedicated clubmen into opening one- and two-man businesses to cater for those who want more exercise than sitting at a desk or in a car all day.

Last Captive could score

RACING

BY DOMINIC WIGAN

THERE IS no more forward string in Newmarket than that of Bill Marshall, whose early-season runners invariably pick up several prizes, and it could well be the former fighter pilot's afternoon at Beverley.

Marshall, who saddled Spanish Armada to land the Esk Handicap on the corresponding day a year ago, has a bright chance of taking that event through Pin Tuck; while Last Captive and Ipi Tombi could also be on the mark for him.

I particularly like the chance of Marshall's Last Captive although he was a disappointment last season when he failed to live up to early-season expectations. But a minor prize, such as this afternoon's Houghton Maiden stakes, is well within his ability.

Ten days ago at Leicester, in the Kibworth stakes, Last Captive had his field well beaten with less than ¼ mile to go before stamina limitations proved his undoing.

With ¼ mile less to travel this afternoon, and the benefit of that run behind him, Last Captive looks to be the one they will all have to beat. I take him to score at the chief expense of Neville Callaghan's unraced Busted Away.

Ipi Tombi, Marshall's representative in the Everingham Maiden stakes, met with little luck, while trying to get off the mark on the Flat last season, finishing in the minor berth on all his four appearances. However, a recent spell over hurdles which earned him a win and a second place should see the Nijinsky colt landing the first and weakest division of his event.

Pin Tuck, who lines up for the Esk Handicap, in preference to stablemate Spanish Armada, is another to have been running over the minor obstacles in recent weeks, and it was less than a month ago that the High Top gelding finished a close third behind Chevulgan and Padski in Doncaster's Corporation Hurdle.

In his only race since then, Pin Tuck was running on best of all at the finish when taking sixth place behind Matinale in the 2½-mile Wadworth Handicap at Townmoor on Lincoln day.

Although held by Barry Hills's winner "on the book" and also by the third in that event, Sing Man, Pin Tuck is capable of springing a surprise.

I cannot remember when a successful British challenger in France bidded to follow up in a Beverley Handicap, but this is the case with Royal Portrait in the Beswick Stakes. Duncan Keith's four-year-old, the winner of a £3,500 sprint at Cagnes-sur-Mer on March 9 is likely to have few problems off the 7 st 11 lb mark.

BEVERLEY
2.15—Last Captive**
2.45—Monkland Glen
3.15—Storm Crest
3.45—Ipi Tombi
4.15—Royal Portrait***
4.45—Pin Tuck
5.15—Trapalanda*

TV Radio

+ indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 12.45 pm News. 1.00 Pebble Mill. 1.45 Heads and Tails. 3.25 Teliffant. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Hevvy. It's the King. 4.40 On Location ... with "The Music Machine." 5.10 Lassie. 5.35 The Perishers.
5.40 News.
5.55 Nationwide (London and South-East).
6.20 Nationwide.
+7.00 Wonder Woman.
7.50 John Denver in concert.
8.30 The Dawson Watch.
9.00 News.
9.25 Petrocelli.
10.15 Tonight in Town (London and South-East).
10.45 Regional, National News.
10.30 The Late Film: "The Ruling Class" starring Peter O'Toole.

All Regions as BBC 1 except at the following times:

Scotland—5.55-6.20 Reporting Scotland. 10.15 Spectrum: The Scottish Painters. 10.45-10.50 Regional, National News.

Wales—1.45-2.00 pm Sioncyn Shoncyn. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.20-7.50 Dewch I'r Ardd. 10.15 Kane on Friday. 10.45-10.50 Regional, National News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 The Testore String Quartet. 10.45-10.50 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (*Southampton*); *Spotlight* South West (Plymouth). 10.15-10.45 East (Norwich) In the Country; Midlands (Birmingham) Garden Game; North (Leeds) Let the People Talk; North East (Newcastle) Friday North; North West (Manchester) The Acting Game; South (Southampton) Island from the Sea; South West (Plymouth) Peninsula; West (Bristol) It's in the Blood.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 Open University.
6.53 Gardener's World.
7.20 Mid-Evening News.
7.30 A Taste of Britain.
7.55 City.
8.30 Pot Black 79.
9.25 Women At Arms.
10.15 Happy Birthday Sir Adrian!: Sir Adrian Boult at 90.
11.25 Late News.
11.40 Rock Goes to College.
12.20 am Closedown: reading.

LONDON

9.30 am Noddy. 9.40 Dynomutt. +10.05 "Child's Play." 11.10 Who's Afraid of Opera. 11.35 Inner Space. 12.00 Song Book. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. *1.30 Home and Design.* 2.00 After Noon Plus. 3.20 You're Only Young Twice. 3.50 The Sullivans. 4.15 A Bunch of Fives. 4.45 Magpie. 5.15 Thames Sport.
5.45 News.
6.00 Thames at 6.
6.30 Emmerdale Farm.
7.00 Mork and Mindy.
7.30 Winner Takes All.
8.00 Flambards.
9.00 House of Caradus.
10.00 News.
10.30 Soap.
11.00 Police 5.
11.10 The London Programme: MOT Certificates.
12.10 am Electric Theatre Show.
12.40 Close: Peter Penry-Jones reads from the Easter story with a painting by Tintoretto.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Cartoon Time. 9.35 Snooker: The State Express Grand Masters Challenge. 10.15 Thomas Hardy. 11.10 Country Comes West. 11.35 Weir's Way. 1.25 pm Anglia News. 2.25 Friday Film Matinee: "Killer Bees," starring Gloria Swanson. 5.15 Bailey's Bird. 6.00 About Anglia. 7.00 Father Dear Father. 7.30 Gambit. 10.30 Something in the Air. 11.00 Friday Late Film: "Incident in San Francisco." 12.45 am Men Who Matter.

ATV

9.40 am Untamed Frontiers. 10.05 Dockland Rules OK. 10.45 Showjumping with Harvey Smith. 11.10 The Mackenzie Affair. 1.20 pm ATV Newsdesk. 3.20 Family. 5.15 Happy Days. 6.00 ATV Today. 7.00 The Jim Davidson Show. 10.30 Mary Hartman, Mary Hartman. 11.00 Christopher Lee—Prince of Menace: "Taste the Blood of Dracula."

BORDER

9.35 am Halas and Batchelor Cartoon. 9.50 Clue Club. 10.15 Thomas Hardy. 11.10 Country Comes West. 11.35 Weir's Way. 11.20 pm Border News. 2.25 Matinee: "The Green Man." 5.15 Garnock Way. 6.00 Lookaround Friday. 6.30 The Dog Show. 7.00 Father Dear Father. 10.30 Triangle—Music, Art, Drama. 11.00 Late Film: "Larry." 12.30 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 The Friday Matinee. "The Going Up of David Lev." 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 Lucan. 10.32 Channel Late News. 10.35 Late Night Movie "The New Interest." 12.45 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 9.30 The Last of the Curlews. 10.15 Thomas Hardy—A Man Who Noticed Things. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Grampian News Headlines. 5.15 Emmerdale Farm. 6.00 Grampian Today. 6.35 Sportscall. 7.30 Andy's Party. 10.30 Reflections. 10.35 Points North. *11.35 Twist in the Tale.* 12.30 Grampian Late Night Headlines, followed by road and ski report.

GRANADA

9.30 am Sesame Street. 10.25 Focus on Wildlife. 10.55 Funky Phantom. 11.15 Picture Box. 11.30 The Beatles. 11.45 A Handful of Songs. 1.20 pm Dodo. 2.25 Friday Matinee. "Roll, Freddy Roll." 5.10 The Undersea Adventures of Captain Nemo. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.00 The Girl with Something Extra. 10.30 Darts World Knockout Cup. 11.00 The Friday Film. "Lock Up Your Daughters."

HTV

9.50 am Beachcombers. 10.15 Thomas Hardy. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 7.00 *The Jim Davidson Show.* 10.35 Report Extra. 11.05 The Late Film. "Who Slew Auntie Roo."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.15-4.45 Negesydd Y Duwiau. 6.00-6.15 Y Dydd. 10.35 The Brains Matchplay Darts Tournament. 11.05 Outlook. 11.35-12.30 am The New Avengers.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

9.30 am Anokbi. 9.50 Friends of Man. 10.15 Thomas Hardy. 11.10 Country Comes West. 11.35 The Big Mill. 1.25 pm News and Road and Weather. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Emmerdale Farm. 7.00 The Jim Davidson Show. 10.30 Ways and Means. 11.00 Late Call. 11.05 S.W.A.T. 12.00 Love American Style.

SOUTHERN

9.30 am Stationary Ark. 9.55 Little House on the Prairie. 10.45 "Tarzan's Hidden Jungle." 1.20 pm Southern News. 2.25 Friday Matinee: "Only with Married Men." 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.00 Scene South East (South East area only). 6.30 Out of Town. 7.00 The Jim Davidson Show. 10.30 Weekend. 10.35 Southern Report. 11.05 Southern News Extra. 11.15 Soap. 11.45 The Late, Late Premiere: "Beachguard in Winter."

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 9.35 George Hamilton IV. 9.50 Inner Space. 10.15 Thomas Hardy. 11.10 Country Comes West 11.35 Weir's Way. 1.20 pm North East News and Lookaround. 2.25 Friday Film Matinee: "The Girls of Huntingdon House." 5.15 Laverne and Shirley. 6.00 Northern Life. 6.25 Sportstime. 7.00 Alright Now! 10.30 Come In, If You Can Get In. 11.00 The Friday Night Film: "Don't Be Afraid of the Dark." 12.35 am Epilogue.

ULSTER

10.15 am Thomas Hardy. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Lunchtime. 2.25 Friday Matinee: "Huckleberry Finn." 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.30 Sportscast. 10.30 Friday Film: "Grand Slam." 12.35 am Bedtime.

WESTWARD

9.30 am Friends of Man. 9.55 The Beatles. 10.15 Thomas Hardy—A Man Who Noticed Things. 11.10 Country Comes West. 11.35 Weir's Way. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: "The Going Up of David Lev" (TV movie). 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 7.00 Southwest Showcase. 10.32 Westward Late News. 10.35 Late Night Movie: "The New Interns." 12.45 am Faith for Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Wild, Wild World of Animals. 10.00 A Handful of Songs. 10.10 Tree Top Tales. 10.25 Cyrano de Bergerac. 11.10 The Lost Islands. 11.35 Winners and Losers. 1.20 pm Calendar News. 2.25 Friday Film Matinee. "Kitty McShane." 5.15 Give Us a Clue. 6.00 *Calendar (Emley Moor and Belmont editions).* 6.30 Calendar Sport. 10.30 Cinderella at the Palace.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Ray Moore (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). *6.45 Sports Desk.* 7.02 Victor Silvester Jr. at the Radio 2 Ballroom (S). 8.02 John Fox conducts the BBC Radio Orchestra (S). 9.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Treble Chance. 10.30 Fiesta de Dorita with Reg Wale. 11.02 Sports Desk. 11.04 Brian Matthew with Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 [illegible] 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Falla (S). 10.00 BBC Northern Ireland Orchestra (S). 10.50 Young Artists Recital (S). 11.45 In Short (talk). 11.55 BBC Northern Symphony Orchestra, part 1 (S). 1.00 pm News. 1.05 Playbill (S). 1.20 BBC Northern SO, part 2 (S). 2.00 Royal Repertoire (S). 3.25 Music Group of London Trio (S). 4.25 The Beecham Legacy. 5.25 Homeward Bound (S). †5.45 News. †5.50 Homeward Bound. †6.15 At Home. 7.10 Couperin harpsichord recital (S). 7.45 BBC Symphony Orchestra, part 1: Walton (S). 8.30 Poetry Now. 8.50 BBC SO part 2, Shostakovich (S). 9.45 Beethoven's Folk Song Arrangements (S). 10.30 Pina Carmirelli Playing Schubert (S). 11.30 Bach Cantata (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 6.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 Story reading. 9.00 News. 9.05 Baker's Dozen (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 Down Your Way visits Abbots Bromley, Staffordshire. 11.40 Announcements. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 The Tenant of Wildfell Hall (S). 4.00 News. 4.05 "The Small Intricate World of Gerald C. Potter," starring Ian Carmichael. 4.35 Story Time. 4.50 Through My Window. 5.00 News. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Week Ending (S). 10.55 Phil on Friday (new series) with Phil Smith. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Archive feature. 11.45 Just Before Midnight. 12.00 News.

BBC Radio London

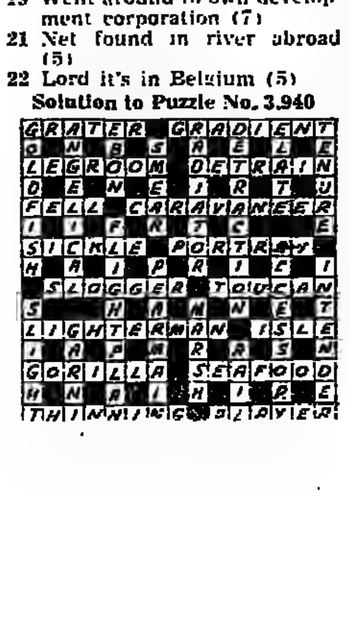
5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 11.40 Lobby. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Track Record. 10.00 Late Night London. 12.00 Joins Radio 2.

F.T. CROSSWORD PUZZLE No. 3,941

ACROSS
1 Long-winded for 59 (6)
4 Colourless friend takes cover (6)
8 Windy accompaniment to haggis (7)
9 Get a man confused with one of the great (7)
11 Snack establishing Cheshire record (6, 4)
12 Chief bridge supporter (4)
13 Accountant's taking on another Roman conspirator (5)
14 University man of theoretical interest only (8)
16 He looks after stock of orderly company (8)
18 Northern Ireland has no French material (5)
20 Complacent about second features (4)
21 Appear before spring to make a good impression (4, 2, 4)
23 Overhead shot by Lamb was a bloomer (7)
24 Person running away with personal transport (7)
25 Non-eater makes fathead flower (6)
26 Third at the games to get a tan (6)

DOWN
1 Steal game from cook (5)
2 Persecute with work papers (7)
3 Curse the tie camper twisted (9)
5 Virginia upset over trouble with profit (5)
6 Family has time to race (7)
7 Finding out work of Blake (9)
10 Two people who never meet in comic opera (3, 3, 3)
13 Takes the best when there's nothing to go with strawberries (6, 3)
15 Girl lightweight right to become a broadcaster (9)
17 Soldier turns up in lock with cat (7)
19 Went around to own development corporation (7)
21 Net found in river abroad (5)
22 Lord it's in Belgium (5)

Solution to Puzzle No. 3,940



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards. 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tonight at 7.00 Carmen. Tomor & Tues. next at 7.00: The Marriage of Figaro. 104 balcony seats avail. from 10.00 on day of perf.

COVENT GARDEN. CC. 240 1066 [illegible]

THEATRES

MAY FAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE A MARX BROTHERS ENTERTAINMENT "Superlative non-stop comedy." E. News. "A scorcher of home-grown entertainment." D. Mail. "A laugh not ... not to be missed. Treat ..." [illegible]

THEATRES

WYNDHAM'S. From 8.30 am. 01-836 3028. Credit card bkgs. 836 1071. Mon.-Thurs. 8.00. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH" Mary O'Malley's smash-hit comedy ONCE A CATHOLIC "VERY FUNNY." Evg. News. "Sure-fire comedy of sex and religion." Dly. Tel. "MAKES YOU SHAKE WITH LAUGHTER." Guardian. [illegible]

CINEMAS

[illegible]

CLUBS

[illegible]

ART GALLERIES

[illegible]

هكذا من الأصل

THE ARTS

The Other Place, Stratford

Pericles

by B. A. YOUNG

Pericles is more of a serial story than a play; Shakespeare even has to use a narrator to link up one far-fetched adventure with another. The narrator is Gower, from whose *Confessio Amantis* the story comes, and the adventures take Pericles the Prince of Tyre, on a 16-year journey round the Near East, during which he acquires a wife and a baby girl, loses them both, and, as in *A Winter's Tale*, has them both marvellously restored to him.

The production at The Other Place, directed by Ron Daniels, has a serial story atmosphere about it, too. There is no scenery but a circle defining the acting area and a tall post that can be part of a ship's rigging — this is a very nautical play — or the pillar of a temple. The costumes, by Chris Dyer, would not raise eyebrows much in the Near East today, apart from the skimpy dresses worn, very attractively, by Julie Peasgood — black when she is the incestuous daughter of Antiochus, white when she is the virtuous Marina, Pericles' daughter left at Tarsus to be brought up but kidnapped by pirates and sold, very unprofitably, into a brothel.

There is not much opportunity for dramatic action in what is virtually a series of charades; the players must rely on their talents for speaking the lines to impose their personalities on us. In this, considering that so few of the characters are more than sketched in by the author (Shakespeare only from Act 3 onwards, according to current belief), they have reasonable success.

Peter McEnery's noble voice rings like a trumpet for the young Pericles, tolls like a funeral bell for the bowed, heartbroken Pericles of Acts 4 and 5, whose finger-nails have grown like vulture's talons in his self-neglect, though his beard has not grown at all. He sings a rather difficult song (music by Stephen Oliver that means little to me), wins a friendly contest with five hardy knights, makes love winningly to Thaisa, daughter of the King of Pentapolis.

Emily Richard and Peter McEnery — Leonard Burt

No one else is given such diverse opportunities. The play is full of parts for women, but they are single-quality ladies — the beautiful young Thaisa is almost interchangeable with her daughter; so might the wicked Princess of Antioch be, for her wickedness is kept offstage. Emily Richard plays Thaisa, pretty and virtuous but interesting only to her husband. The bad women are more fun — Suzanne Bertish, cold and menacing as Dionyza, even when her words are friendly, best of all Heather Canning as the brothel-keeper in Act 4. The brothel scenes are much the best in the play, and they are splendidly done by Miss Canning, Jeffery Dench as the pander, and John Matshikiza as Boult, against whose lusts Miss Peasgood's Marina resists movingly, though only verbally.

Gower is pleasantly spoken by Griffith Jones, still wearing King Duncan's white beard; but not even Mr. Jones can keep Gower from being something of a bore. Of the small parts, I particularly admired Hubert Rees as Simonides, Thaisa's father, and Peter Clough as Lysimachus, who ultimately marries Marina, having helped her out of the brothel, which he originally entered as a punter.

Cinema

The Wiz in Blunderland

by NIGEL ANDREWS

The Wiz (U) — Dominion
The Thief of Baghdad (U) — Odeon Marble Arch and General Release
Fantasy Authors on Film — National Film Theatre
Electric Eskimo (U) — Classic Oxford Street

One year, six months and two days ago, I saw *The Wiz* in a stage production in San Francisco. That experience vouchsafed the fact that Charlie Smalls's all-black musical based on *The Wizard of Oz* was never a very tuneful show to begin with. But at least it had a sense of humour and a lithe, scatty, infectious jollity.

In Sidney Lumet's film musical it has caught a dose of movie elephantiasis. Everything is bigger and louder and ungainlier. The film started out with a budget of \$11m and wound up costing \$35m — the most expensive film musical ever made. The settings grew from the stage show's modest variations on fantasy-land to the all-devouring, vamped-up stylisation of New York which Lumet has chosen as *his* equivalent of Oz. And the part of Dorothy, which was bordering on the overgrown even when Judy Garland played it, has been stretched on the rack of box-office opportunism so that 34-year-old Diana Ross can play it as a 24-year-old spinster schoolmistress from Harlem.

The mind boggled before one saw the film. It boggles still more after it, for the truth is more daunting than the rumours. Miss Ross, who unaccountably hasn't had a good movie role since her frail and heart-wringing Billie Holliday in *Lady Sings The Blues*, plays Dorothy as a pious, doe-eyed virgin given to singing soulful songs at a *troppo adagio*. Her three companions — Michael Jackson as the Scarecrow, Nipsey Russell as the Tin Man, Ted Ross as the Lion — are a well-sorted trio ingeniously costumed and made up. But they founder alike on Miss Ross's intransigent and dowdy soulfulness and on Lumet's direction, which has the blunderbuss desperation of a film-maker doing his first musical and having no experience to trust to, no certain targets for his mind's eye and ear to aim at.

A director who rose to box-office success with racy urban melodramas like *Serpico* and *Dog Day Afternoon* is an odd choice for a musical to begin with. *The Wiz* needs a light touch and fly-by pacing. It gets sledgehammer overemphasis and trudges on for 136 minutes. Tony Walton's sets are potentially bewitching impromptus on a Manhattan theme: graffiti-covered walls, a yellow-paved Brooklyn Bridge, a forest of Chrysler buildings, white-tiled subway columns that detach themselves in one chic nightmare sequence and pursue the heroine. But Lumet shoots the sets unerringly from the wrong angles, and the film is photographed in such grained and murky colour that it is like visiting Wonderland in the off-season.

Diana Ross in 'The Wiz'

In a good film, the crowning appearance of Lena Horne as the Good Witch would have been the High Camp cherry-on-the-cake. There she sings, blue-dressed and floating in a night sky and surrounded by cherubic infants stuck as if by drawing pins against the galactic backcloth. But by this time one's face is so long, and one's ears so glutted with the wrap-around miracles of Dolby, that it is just one overweight hyperbole too many. Two hours and a quarter is a long time to go without a single good song (perhaps excepting the Tin Man's jaunty "Slide some oil to me") or a single good dance number (no exceptions), and those with fond memories of the Judy Garland immortal are advised to hang on to them unsullied—or at least approach this remake with proper caution.

*

The Thief of Baghdad self-evidently cost a small fraction of *The Wiz's* budget. The Oriental palace-walls all but wobble and are in poster-paint yellow, the minarets in the background look as if they could be picked up between finger and thumb, and there is a suspicious generosity with that conceal-all stand-by, dry-ice studio mist. But this film is at least ten times more enjoyable than the other. Kabir Bedi plays the Prince who seeks the hand of the Caliph's daughter, Roddy McDowell is the thief who helps him win her with a suitable wedding gift (the all-seeing eye from the Temple of Truth) and Terence Stamp is the wicked Wazir, the Prince's rival.

And then there is Peter Ustinov as the Caliph. Allah be praised that Ustinov here ends his run of foreign accents and returns to that deadpan, bumbling English fecklessness with which he graced and often redeemed Hollywood epics like *Quo Vadis* and *Spartacus*. Whether amiably correcting a courtier who has used the wrong form of address—"Oh, incidentally, it's not Your Eminence, it's Your Holiness"—or ruefully blowing the dust off a cube of Turkish Delight and getting it in the eye, Ustinov's is a performance of constant delight and improvisation.

Elsewhere, though the special effects are a little cut-price and the supporting cast sometimes eccentric (the Genie of the Lamp, long-nailed and false-eyelashed, seems to have been hired out by the Lindsay Kemp genie agency), the spirit of fun is unflagging and unforced. Clive Donner directed. A. J. Carothers wrote the screenplay.

*

Beginning this week at the National Film Theatre is "Fantasy Authors on Film," a season devoted to movie versions of Sci-Fi and horror stories that first appeared on the printed page. The authors range from Gothic romantics like H. P. Lovecraft and Edgar Allan Poe to modern exponents of the fantastic like Ray Bradbury and Richard Matheson. No genres better exploit the cinema's talent for deception and enchantment than Horror and Science Fiction, and though the choice of films in the season is almost chaotically catholic — from a 1925 silent version of *The Lost World* to Steven Spielberg's *Jaws*—the questions they all in common raise about illusionism in the cinema are urgent and fascinating.

*

Electric Eskimo flickers intermittently with humour and invention, but this fantasy film made for the Children's Film Foundation is a bit short on bright ideas even for its modest 57 minutes. An Eskimo boy accidentally stumbles into the electric field of a scientific experiment taking place at the North Pole. He is instantly endowed with electric powers, which he can exercise at will. Shipped to England, he is caught in a tug-of-war between the Scientific Establishment, who wants to investigate him for the furtherance of science, and an obscurely motivated German villain (Derek Francis) who wants to use him — I'm not sure for what. The film jumps to life briefly whenever the hero flexes his powers — galvanising into motion, for example, all the electric gadgets in a kitchen — but tends to doze off in between. The result, directed and co-written by Frank Godwin, is charming but not electrifying.

Festival Hall

Shostakovich

by DOMINIC GILL

"*No one concert*," our programme-note confessed, as if the range and breadth of Shostakovich's music were by definition somehow wider than most, "could possibly reflect, however crudely, the whole of Shostakovich's development." The first half indeed of the BBC Symphony Orchestra's Shostakovich concert conducted on Wednesday night by Gennadi Rozhdestvensky confined itself to three early works dating from between 1929 and 1933.

As Hugh Ottaway nicely puts it, the humour of Shostakovich, especially in the early "modernist" works, owes much to the well-placed banana-skin. The overture to an abandoned operatic project called *Columbus*, conceived just after *The Nose* in 1929, belongs to the more indigestible genre of Shostakovich burlesque — all twinkle, tinkle and burp. But the two later pieces, the Concerto for piano, trumpet and strings op. 35 and the concert suite from Shostakovich's first ballet *The Age of Gold*, brought together all the other characteristic ingredients of the period: that very individual amalgam of restless lyricism, mordant off-key tonality, and sometimes maudlin, sometimes sprightly sentiment.

Except for a tiresome, joky Polka, there is some pleasing scenic stuff in the *Age of Gold* suite; and the piano part of the Concerto, which holds the main interest of the piece, was splendidly thrown off, and with conviction too, by Victoria Postnikova. John Wilbraham, whose musical capabilities extend as far as 1930's Shostakovich — if not, as we learned the other evening, as far as Elliott Carter — was the decent, unimaginative trumpet soloist.

The second half of the evening brought us forward nearly to the present day, and to the greater economy, refinement and close working of late Shostakovich. The *Suite on Verses of Michelangelo Buonarrotti* for baritone and orchestra is the last but two of the composer's completed works, written in 1974-75. It is, like the 14th symphony which precedes it by five years, an essay in darkness. Even in the hour of highest happiness, the vocal line of each of the 11 settings is slow-moving, lugubrious; in the instrumental music, light breaks through rarely.

Even the sparkle in the final setting, "Immortality," faintly glittering not in the voice but in the instruments, is quickly mixed with, and gradually overtaken by, twilight. The rest is evening, and night: "Truth," a powerfully nocturnal incantation; the dark tones of lower strings and harp at "Morning"; a brief shaft of mountain sunlight in "Love," quickly stifled; the dark purpose of the hammer-blows that crash in "Creativity"; the blind ringing of brass and bells in "To the Exile." It's a fine, disturbing work, keenly and sombrely made — in this performance bravely sung with increasing confidence, and increasing exactness of pitch, in Russian by John Shirley-Quirk.

Mobil aids the V & A

Mobil, for long a committed sponsor of the arts in the U.S., is now extending its help to its overseas markets, including the UK. It has just completed a successful winter season of concerts in the chapel of the Royal Naval College at Greenwich, which is to be repeated next autumn, and yesterday it launched a new association, this time with the Victoria and Albert Museum.

The V and A has been rich in treasures but poor in guides. Mobil is filling the gap by producing 12 guides to the main galleries in the museum. The first three — covering the Art of Islam, Early Medieval Art, and Far Eastern Art — have just been published, and another three are planned before the end of the year. They are attractive and unusual introductions to the V and A, concentrating on half a dozen or so star items in each department rather than attempting to be fully comprehensive.

The guides come in the form of broadsheets, with drawings, not photographs, as illustrations, which in itself preserves the arts and crafts background to the museum. They are priced at 20p each and the aim is that any profit made goes towards a reprinting: the original run is 20,000 copies.

In the past museums and art galleries have missed out on industrial sponsorship which has favoured the star personalities, the captive audiences, the established successes of opera and concerts. This is a bold venture by Mobil which expects a long association with a long established institution. It is the best form of sponsorship because it meets a need and because it produces a tangible and continually useful result.

A.T.

Theatre Royal, Glasgow

Katya Kabanova

by MAX LOPPERT

The cycle of Janacek operas on which Scottish Opera and the Welsh National Opera are co-operatively engaged is taken a step nearer completion with the new *Katya Kabanova*, which opened at Glasgow on Wednesday. The cycle has thus far produced results in the main so admirable that expectations were high, and were perhaps bound to be slightly disappointed. But criticism of David Pountney's production, Maria Bjornson's designs, and Richard Armstrong's conducting must be prefixed by an affirmation that anyone coming to the opera for the first time will gain from this staging a vivid and dramatic account of a masterpiece.

In the first paragraph of a chapter on the opera in *Janacek's Tragic Operas*—it is the best part of a flawed study—Michael Evans remarks that *Katya* is "(unfolded) with classic economy." This is not quite the impression of the work that Mr. Pountney's production leaves. The tone of the drama has been pitched at a high level of intensity, and the happy result of this is that each character is very sharply projected, with quick, keen responses to behaviour on every side. The less happy result is an embellishment of detail and action that tends to detract from the "classic economy."

When Tichon knocks Katya to the ground in Act 1, and whips out a hip flask at the least provocation; when Katya's emotional climaxes are underscored in sudden changes of spotlight; when at the end of the first act she rushes to cling to the doorframe like a caged animal; or when the "*one tipsy passerby*" in the second scene of Act 3 becomes a threatening horde—at these and many other points one feels it is the detail, rather than the basic structure of the production, that has been misjudged. In consequence, an atmosphere of frantic melodrama is evoked early on, which does not harmonise with the music. Even in the most piercing episodes of pathos and tragedy, it remains a music of concentration, compression, lyrical simplicity.

Miss Bjornson's sets are, as ever, boldly shaped, and full of original ideas, on this occasion not fully thought through. A potent sense of two opposed locations should inform any *Katya*: the claustrophobic domesticity of the Kabonov house, and the finally cruel freedom offered by nature, and the river. Neither is here suggested with sufficient precision. Silvered spangles across the cyclorama and rock and mud banks bordering the stage, though cleanly outlined, create an unpoetic landscape and a confusing topography (the river bank appears to stretch into the Kabonov living room; at one point Kudryash and Varvara play about in a muddy puddle). A bleak wooden fence divides garden and river. In Act 3 the stage floor is scored with small ravines, and Katya emerges out of her hiding place in one of them. As in the production, the detail is vividly imagined; changes are swiftly made; it is, on its own terms, and impressive inscenation.

The memory of Josephine Barstow's first Katya that has stayed longest is of the beauty of her singing. This may surprise those for whom the voice is a taste difficult to acquire even while the dramatic abilities of the actress may not be in question. The middle register had the muted colour of a viola (low notes, though compact, lacked weight); above, there was security in both the soft singing and the loud; the phrasing was hauntingly individual, musicianly, poetic. A generalised *angst*-ridden intensity characterises her playing so far, which makes a striking contrast with the masterly understatement, the bleak succinctness of the Kabanicha, in a portrayal of terrible power by Kerstin Meyer.

Allen Cathcart's tenor sounded more wieldly than usual as Boris. Peter Jeffes and Cynthia Buchan sang and acted with delightful freshness as the young couple, and in a cast without weakness the forceful delivery of William McCue, a Dikoj in leather and a whiplash haircut, still made a notable impact. The configuration of pit and stage and the warm acoustics of the theatre seemed to rob the score of its tang, but at the same time ensured that more of Norman Tucker's translation was audible than ever before (diction was uniformly good). Indeed, Mr. Armstrong can without risk afford to assert the orchestra's part a good deal more; on Wednesday the playing was competent but cautious and even colourless. When it comes into clearer focus, the performance as a whole may well achieve a better balance of dramatic tone.

Kerstin Meyer and Josephine Barstow

Hayward Gallery film exhibition

Film as Film—Formal Experiment in Film 1910-1975 at the Hayward Gallery from May 3-June 17 is an Arts Council exhibition, based on one organised in Germany by the film-maker/critic Birgit Hein and Wulf Herzogenrath of the Kölnische Kunstverein.

It breaks ground by examining the relationship between the major art movements of this century and the development of the formal film.

Over 100 artist/film-makers are represented by films, drawings, paintings and diagrams, their work spanning the years between the first hand-painted film experiments of the Futurists and films produced using advanced technology today.

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Sterling adrift

WITH ONE bound Jack was free; or so at least it is hoped. The monetary authorities have been wrestling with a dilemma for some weeks: the level of interest rates necessary to check the growth of domestic credit was drawing in large funds from overseas, so that the only choice appeared to be whether excessive monetary growth would be financed domestically or from overseas. Yesterday the Bank of England announced one policy change—a cut in minimum lending rate. At the same moment it made another, unannounced change: it stopped intervening in the exchange markets to finance inflows. We have moved at least from dilemma to wait-and-see.

Pressures

The only certain thing that can be said about these moves at present is that they mark the end, for the time being, of the official policy of striving, at least, to behave as if we were members of the European Monetary System. The boundaries were broken, of course, some days ago, when the link between the pound and the Irish punt had to be cut to keep the Irish currency within its EMS bands; but at least it could be said that we were trying. The reserve figures showed intervention to the tune of $1bn, almost entirely in the last week of the month.

Not for the first time, the evidence of intervention seems simply to have encouraged the flow of short-term capital, and the first days of April have apparently been as hectic as the last days of March. The Bank has rightly refused to repeat the dramas of 1977, when external pressures were allowed to drive interest rates down to 5 per cent before sterling was uncapped, and acted early.

The first question that arises is the likely course of the exchange rate. It is not only as putative members of the EMS that the authorities have been worried by the rise; the level of sterling is now beginning to hamper especially sensitive exports, such as bulk chemicals and fibres, where price is the only information on the label which counts. In the light of rising inflation rates, unsolved labour problems and an unknown bill to be paid by the Exchequer, sterling seems to have cut adrift from the realities.

However, the forces which have driven sterling inexorably towards over-valuation cannot be stopped by technical manoeuvres in the market. They arise, as we have pointed out before, from mistaken fiscal policies, which have driven interest rates up, and mistaken persistence with exchange controls, which block the capital flows which could otherwise finance improved exports. We have chosen to be uncompetitive.

Handicap

The reactions in the market yesterday suggested that while these pressures have not yet exhausted themselves, they are no longer enormous; the upward move in sterling was quite modest in relation to the change in policy which preceded it. Since inflation rates and interest rates in the outside world are now unhappily rising, the financial pressures should abate in future, while the handicap to exports may at least not increase unduly fast. At first sight, the freeing of the rate was well-timed.

The domestic prospect is far harder to guess. In February, bank lending reached a record £1bn, partly for reasons connected with the disruption of foreign trade, but the feeling in the City is that credit demand remained quite buoyant in March. New lending combined with recent inflows certainly make the outlook for monetary policy problematic, if no worse: it seems an odd time to lower interest rates.

Symbolic

However, the lowering of MLR will probably prove more symbolic than stimulative. It has allowed bank base rates to fall into line with the money markets, and will thus prevent distortions which would otherwise have tended to conceal monetary growth, so the statistics may make the move appear risky. In fact it marks the end of a series of manoeuvres by which the authorities have been trying to re-establish a more normal yield curve, simultaneously relieving shortages of overnight money, while resisting any undue fall in longer rates. It is hoped that this will help to create more stable conditions after the winter crisis and the strange dramas of the recovery from it.

Probably the combined moves are the best that can be done at the moment to contain the results of mistaken fiscal and exchange policies. And at least we can be grateful that the Chancellor did not on Tuesday try to make political capital out of a situation which really does him little credit.

A new trade pact in sight

IN THE LAST few years, and notably since the recession induced by the 1973 oil price increase, the world has become increasingly sensitive to the rise in protectionist pressures in the old industrialised countries of Europe and North America. In the case of a few particularly vulnerable industries, governments have on occasion given way to these pressures, either by import restrictions or (more commonly) by inter-governmental agreements limiting deliveries from the exporting countries. In general, however, the major importing countries have not merely resisted the temptation to increase protective barriers remarkably well, but have doggedly pursued the broad principle of freer international trade in successive rounds of tariff and non-tariff negotiations in Geneva.

Italian snag

The current round of talks in the framework of the General Agreement on Tariffs and Trade (GATT), the so-called Tokyo Round, is now within sight of a conclusion after many years of argument. Until the agreements have actually been initialled, there remains the possibility of a serious hitch; the Italians, for example, have withheld agreement over a clutch of detailed issues, and this may prevent the initialling which is scheduled for next Wednesday. But even if there is a risk of further delay, it is already possible to take a view of most of the elements of the new trade package deal.

Import tariffs will come down substantially, by an average of 30 per cent; and while the European Community has made only moderate progress in its aim of tariff harmonisation, it has secured a significant reduction in the number of product lines which are subject to very high tariffs in Japan and the U.S.

Over the years, however, conventional tariffs have become a relatively less important factor in the protection of national industries. During the 1970s, currency fluctuations have been far greater than the average tariff levels of many countries: during the past two years, most British exporters to the U.S. must have been much more concerned by the gyrations of the sterling-dollar exchange rate than by U.S. import tariffs. Secondly, the protective effect of non-tariff barriers (industrial standards, anti-dumping rules and so on) has become progressively more evident with every step in the negotiated reduction of the tariffs themselves, like rocks emerging through a receding tide.

Some progress has been made on NTBs. There will be new codes on customs valuations, on subsidies, on government procurement, on import licensing and on technical barriers, even if some countries decline to adhere to all these codes. The big setback has been the collapse of negotiations over a new safeguards clause, because of unresolved differences between the European Community and the developing countries.

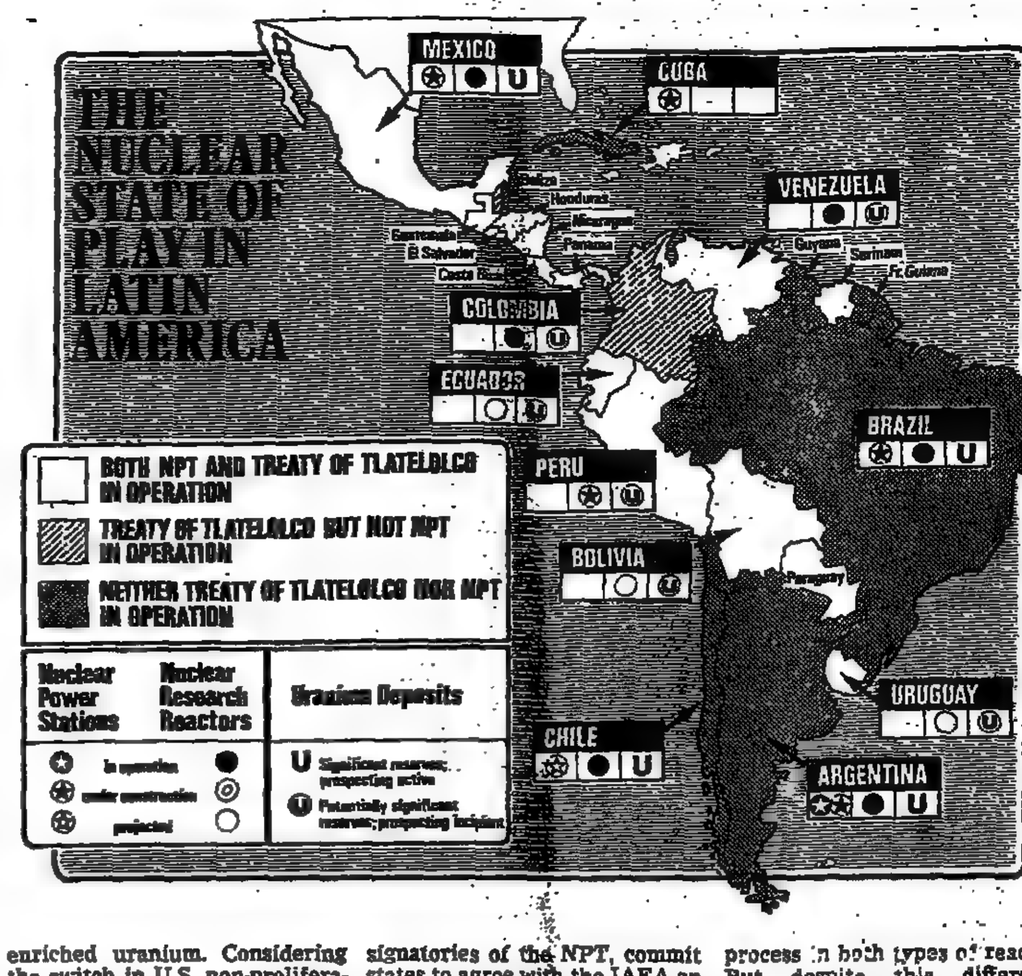
Ever since the end of the Kennedy Round, it has been clear that a new safeguards clause was necessary to replace Article XIX of GATT. In particular, the Community has wanted a flexible safeguards clause which could be invoked selectively against individual exporting countries, and not right across the board as under Article XIX. The principle of selectivity has been reluctantly conceded by the developing countries; the negotiations have broken down over the precise rules and restrictions governing the implementation of safeguards action.

Imbalances

If Governments in the old industrialised countries can continue to contain within limits the protectionist forces facing them, the breakdown of this chapter of the GATT negotiations may not be a disaster. Indeed, there is a school of thought which holds that Article XIX can be interpreted to sanction selective safeguards. The real problem arises with trade imbalances which are intrinsically global rather than selective. The European Commission has started to make very threatening noises about the Japanese overall trade surplus with the EEC, and this is by definition something which a selective safeguards clause is ill-designed to solve.

The nuclear rivalries in Latin America

BY DAVID MARSH



A PROSPECTIVE agreement for the sale of West German nuclear technology to Argentina threatens to open up a new rift between the U.S. and Germany on the sensitive question of nuclear proliferation in Latin America.

The direction and credibility of the U.S. administration's non-proliferation policy is at stake, as is a sizeable chunk of orders for the German nuclear power industry, and the military and commercial balance of power in Latin America.

West Germany is emerging as an increaingly important economic and political influence in the region, challenging the traditional dominance of the U.S. The German interest is demonstrated by the tour of Brazil, Peru and the Dominican Republic, begun on Tuesday by Herr Helmut Schmidt, the Chancellor. It is the first official visit to Latin America ever paid by a West German chancellor.

Under the deal with Argentina, which has not yet been finalised, German companies look likely to supply Argentina with its third nuclear power station together with a plant to manufacture heavy water, a key element in the natural uranium-based nuclear technology embarked upon by the Argentinians.

Controversy arises from Argentina's refusal—along with its neighbours, Brazil and Chile—to sign the nuclear Non-Proliferation (NPT). Although it has declared that the technology it wants to buy would be used only for peaceful purposes, Argentina, whose high level of nuclear expertise is matched in Latin America only by that of Brazil, has followed a deliberate policy of keeping its options open on the eventual production of nuclear arms.

The U.S. has raised no objections to the power station. But it has asked the Germans not to supply the heavy water plant, which is on the list of "sensitive" nuclear technologies drawn up by 15 nuclear supplier countries, among them Germany. The U.S. maintains that the plant would give Argentina virtual independence in the nuclear fuel cycle, and would significantly increase its capability to make nuclear weapons.

The German Government has thus to steer a middle course between avoiding discord with the U.S. and safeguarding the Federal Republic's commercial interests. Germany is trying to find out whether the Argentinians would accept the power station alone, or would accept some U.S. involvement in the plan for heavy water production. But it is uncertain whether the Governments can agree on separating the two parts without scuttling the whole deal.

At the back of everybody's minds there is the controversial German-Brazilian nuclear agreement of 1975, a central theme of Herr Schmidt's talks with the Government in Brasilia. A communique after the talks said that both parties intended to leave the agreement unchanged. The agreement, under which Germany contracted to supply Brazil with the first complete nuclear fuel cycle ever to be sold to a developing country, exposed strong differences between Bonn and Washington about nuclear proliferation. At the same time it worked wonders for Germany's commercial image in parts of the developing world by establishing the Federal Republic's willingness to take a line firmly independent of the U.S. over the question of transferring advanced technology.

The U.S. exerted strong pressure to amend the deal on the grounds that—despite extensive safeguards built into it in partnership with the International Atomic Energy Agency (IAEA)—it would give Brazil the eventual capacity to build a nuclear bomb.

The U.S. gave up its open opposition to the agreement when both the Germans and the Brazilians refused to budge. A legacy of disapproval, however, persists. It was one of the main factors behind the tensions that emerged between Bonn and Washington last year over the new U.S. nuclear non-proliferation act, which toughened safeguards for the export of enriched U.S. uranium.

Kraftwerk Union, the German power station manufacturer (now owned by Siemens) which sold Argentina its first nuclear power plant in 1968, is particularly anxious to clinch the order for the 600 MW power station, worth some $500m, to be built near the first one at Atuche. The German contender to build the heavy water plant, valued at over $300m, is a Hoechst subsidiary, Uhde, possibly in conjunction with Sulzer, a Swiss company.

Temporary closure

Argentina plans to have a total of six nuclear plants operating by 1997, and the Germans hope that the deal will open the way for further contracts—which KWU badly needs as it is hard pressed by the temporary closure of the domestic market for N-plants. Another sizeable incentive for the Federal Republic is Argentina's offer of access to its substantial uranium reserves.

The Argentine atomic energy commission (CNEA), ever since it was set up in 1950, has stressed that the goal is nuclear self-sufficiency. The proposed 250-tonnes-per-year heavy water plant, something far bigger than the Argentinians could build with their own present resources, is a logical step in that direction.

The CNEA decision in 1968 to opt for natural rather than enriched uranium reactor technology has enabled Argentina to make direct use of its uranium reserves without relying on outside supplies of enriched uranium. Considering the switch in U.S. non-proliferation policy in the mid-1970s towards greater controls on export of U.S. enriched uranium, the CNEA has had good reason for self-congratulation on its foresight.

The choice of natural uranium has also been sounder in economic terms than building up Argentine uranium enrichment capacity. The Brazilians are understood to be perturbed by the $7bn cost of the enrichment plant which will be assembled under their deal with Germany.

Possession of its own heavy water plant would free Argentina from dependence on its present suppliers in Germany and Canada. The U.S. fears that this, combined with Argentina's own uranium reserves and well-developed plutonium separation techniques, would give the country all the facilities within its own boundaries required to make plutonium.

That apprehension is shared by Canada, which has tightened safeguards on exports of nuclear equipment since India five years ago succeeded in setting off a nuclear explosion after importing technology from Canada.

Atomic Energy of Canada Limited (AECL) in a consortium with the Italian NIRA and General Electric of Britain, is the only other contender to build the power plant in the closed tender put out by the Argentinians. But AECL has said it will not sell Argentina the requested facilities unless Argentina either signs the non-proliferation treaty or puts into effect full scope safeguards on its nuclear activities.

Full scope safeguards, the undertaking accepted by all signatories of the NPT, commit states to agree with the IAEA on a comprehensive set of safeguards on all their nuclear activities, both present and future. All known Argentine nuclear installations are covered by individual safeguard arrangements with the IAEA. Germany would probably accept similar bilateral agreements being concluded to supervise the equipment now under discussion.

But this sort of case-by-case safeguard system does not go as far as the Americans and Canadians would like. Their view is that only a full scope safeguards approach—with the key provision that future independent nuclear activities would also be subject to strict international supervision—would provide a cast iron assurance that the country did not plan at some future date to adapt its command of nuclear technology to producing weapons.

The technology involved in the Argentine deal is not so high on the sensitivity scale as that which will be supplied to Brazil. Germany agreed to sell to the Brazilians not only up to eight light water (enriched uranium) nuclear power plants, but also uranium enrichment and reprocessing facilities, which provide a direct route to potential bomb-making materials.

Heavy water in itself does not provide that direct route. Its function is to moderate the neutron flux in a natural uranium reactor in order to let the fission of the uranium-238 isotope go ahead. In enriched uranium reactors it is the break-up of the uranium-235 isotope which precipitates the chain reaction. Plutonium is formed as a by product of the fission process in both types of reactor. But despite this difference in the technologies, the military implications of the Brazilian and Argentinian deals are similar.

Independent development has given Argentina considerable technical expertise in areas like uranium ore processing, fuel element fabrication and radiation techniques, and also in the militarily significant technology of reprocessing, by which plutonium is separated by chemical means from spent uranium left over after the fission process.

Argentina had a laboratory-scale reprocessing plant, operating outside IAEA safeguards, in use until the mid-1970s. It is now building a new larger pilot plant at Ezaiza. The completion date has been the subject of conflicting statements from Argentine politicians and officials, with some reports saying that it will be ready as early as next year, others towards 1990.

The commercial justification of the costly and technically difficult process is that plutonium can be recycled, mixed with uranium, as a more efficient fuel for existing plants, and will become even more useful as a fuel when and if fast breeder reactors come on-stream. But plutonium can also be used to make bombs, which is why the U.S. is particularly worried that Argentina has succeeded in developing the technique independently.

The U.S. can hardly fail to be struck also by the commercial implications if Argentina succeeds in buying a commercial heavy water plant. Argentina emerged fairly early on as a potential nuclear supplier in the region. It has concluded bilateral nuclear agreements with Bolivia, Chile, Colombia, Paraguay, Peru, Uruguay and Venezuela. In 1977 it became the first Latin American country to export nuclear technology when it agreed to supply Peru with an experimental 10 MW reactor.

There is no doubt that Argentina would like these countries eventually to adopt a natural uranium/heavy water technology for their commercial reactor programmes. With its own heavy water plant, Argentina would then be top dog in a Latin American natural uranium "club," capable of supplying heavy water, fuel and equipment to the other nations.

It seems highly unlikely that either Argentina or Brazil in the foreseeable future will accede to the NPT. Their fundamental objection is that it discriminates against non-nuclear weapons states by shackling their full development of the nuclear fission process. U.S. policy makers have therefore been focussing attention on a regional method of restraining nuclear development which might be more politically acceptable to both states. The mechanism already exists—the treaty of Tlatelolco of 1967, which establishes, on paper at least, a nuclear free zone in Latin America.

The treaty goes one step further than the NPT in one important sense. Not only does it require participants in the basic treaty to desist from developing nuclear weapons, but it also contains two additional protocols—designed for signature by states with territorial interests in the area and by the big nuclear powers—to prevent use or deployment of nuclear weapons in Latin America by any other outside country.

Most Latin American republics are parties to the treaty. But four of the five that are not are militarily important—Cuba, which has not signed for fundamental political reasons, Argentina, which has signed but not ratified, and Brazil and Chile, which have both signed and ratified but have stated that they will not be bound by the treaty until all the potential signatories have put it into effect.

Recent moves by the U.S., Soviet Union and France to implement the two additional protocols may improve the climate for Argentina and Brazil to apply the Tlatelolco treaty.

However, all efforts by the U.S. or anyone else to get Latin America's potential nuclear powers to agree proliferation curbs are overshadowed by the refusal of Argentina and Brazil to make any step in this direction unless the other does the same.

Regardles of what happens to the German-Argentine deal, this basic impasse will have to be broken in the next few years unless the U.S. policy of curbing the spread of nuclear arms is to founder in an area which the U.S. used to consider as its own backyard.

MEN AND MATTERS

Counting the cost of crying wolf

The Food and Drink Industries Council admits in its latest bulletin that it acted in "exactly the wrong way" during the lorry-drivers' strike in January by "shouting loud and long." As was remarked in this column at the time, biscuit-makers in particular were quick to forecast that the strike would empty supermarket shelves and cause public hardship.

The council now confesses that these tactics "convinced the strikers . . . that they had the whiphand." This view is held, it may be assumed, by Sir Hector Laing, retiring chairman of the council and head of United Biscuits.

The victory of the lorry-drivers drove a major breach through the 5 per cent pay policy. The bulletin suggests that the food and drink industries would have been wiser to say that the effects of the strike and secondary picketing were "minor and not really to be much bothered about." It concludes: "Might it not even have resulted in a lower settlement?"

Tory tune

Already filing five dense inches in the current Who's Who, Professor Douglas Hague acquired another line for next year's edition when he was yesterday named personal economic adviser to Margaret Thatcher.

with duties already stretching from deputy director of the Manchester Business School, to a directorship in the Laird Group, and involvement in numerous public bodies, Hague is extremely hard to keep track of, even for his new political masters. His day yesterday began—not untypically, I am told—with an 8.30 a.m. visit to the British Steel Corporation (Hague is also an industrial consultant). After that he vanished down one or other corridor of power.

"Let's open the champagne—I don't think we're going to need it for the ships"

[illegible] to exchange a few words with him yesterday reports that the 52-year-old professor was happily denouncing "too much government and too much intervention" and saying how fervently he agreed with Thatcher.

In short, the Hague approach holds, it would seem, few surprises! "We need to get people acting for themselves. Cutting taxes and restoring incentives will get the economy alive again." Hague will have ample opportunity to apply fine tuning to these familiar Tory war-cries. Apart from advising Thatcher on economic developments during the campaign, he will also be writing some of her speeches.

Given that the professor is backing a winner, it is tempting to speculate on what glittering prize may be offered him after the election. Being head of the "Think Tank" might appeal to him, should he have the time, or a position as a specialist economic adviser, or perhaps chief economic adviser to the Treasury (the present holder of the post, Sir Fred Atkinson, is due to retire at the end of this year).

If things do go [illegible] however, Hague can always console himself with his favourite activities—church organs and watching Manchester United.

Followed around

Pressure from the new revolutionary government in Iran has successfully driven the Shah first from Egypt and most recently from Morocco. I learn that the supporters of Ayatollah Khomeini are now bringing their diplomatic guns to bear on his latest refuge, the Bahamas. This is part of their bid to bring him back to Iran to face trial.

In this respect, Britain is relieved that the government in Nassau is now fully independent from London; but the island's membership of the Commonwealth is proving a slight difficulty. Tehran believes that if the Queen of England is also Queen of the aBhamas, Britain can hardly claim to be uninvolved.

It seems that informal enquiries from Iran have so far met with suitably intellectual responses. The historical argument compares the Queen with Charles V, King of Spain and Austria, who was not directly concerned with one country when living in the other.

Ayatollah Khomeini might be more impressed, however, with the religious argument. This makes an analogy between the position of the Queen as head of State of both countries and the relationship between God and the Holy Spirit: that the roles are both the same, but different.

Sage at the Ritz

The man they call Japan's Graham Greene was in the Ritz Hotel, London, yesterday—behaving in a manner I found fairly unnerving. Shusaku Endo chain-smoked through the interview, although he has had one lung removed. "Lung cancer occurs because people have lungs," he said. "Someone like me who has only half as many lungs as the ordinary person should be able to smoke twice as much, don't you think?"

It is the kind of remark which might be made by one of the more desperate characters in a Greene novel. Yet in every other respect Endo is as neat and confident as any Tokyo banker. He can afford the confidence: one of his books has sold 800,000 copies in Japan and the others seem to be nearing the half-million mark.

Now in his middle fifties—and a Catholic, as is Greene—he looks back nostagically to the values of pre-war Japan. Does he compare himself with the militaristic writer Yukio Mishima, who committed hara-kiri? "Definitely not, he was a feudalist."

Endo is here for the publication by Peter Owen of his latest novel, "When I Whistle." He also hopes to see Greene in France.

Although he feels modern Japan has lost its love of nature, he does not shy away from progress. "We must have nuclear power, because Japan has no domestic energy sources. But technology is for human beings, not for itself." Pleased with this aphorism, he lights another cigarette.

Endo most enjoys talking about religion and the part a modified Christianity could play to soften Japanese life. His "Life of Jesus," after selling 400,000 copies in his own language, has recently won a Polish literary prize.

Safety first

From Prague comes the story of two strangers who were admiring a shiny new car in Wenceslaus Square. "You've certainly got to hand it to the Russians," one said. "Don't be ridiculous!" said the other. "Don't you know an American car when you see one?"

"Of course I do," said the first "but I don't know you."

POLITICS TODAY

Mrs. Thatcher's Cabinet candidates

WHAT WOULD Mrs. Thatcher's Government *look like if the* Tories were to win the election? The answer is almost certainly that nobody yet knows, including Mrs. Thatcher herself. It *is the sort of thing that she* will be writing down on the back of an envelope during the campaign and would only finally resolve once she knew that she *had won, and by how much.*

But there are a few indications to go on, as well as a few unresolved problems. There can be no great harm in *speculating while waiting for the* campaign proper to begin.

Mrs. Thatcher may seem radical, even ruthless, in her policies, but she has shown herself remarkably conservative in her habits. It was a dramatic act to stand against Mr. Heath for the leadership and it was a clue to her thinking that, when she won, she gave overall responsibility for policy and research to Sir Keith Joseph, a position which he has retained ever since. Four years later, *however, she has not exactly transformed* the Conservative front bench.

Mrs. Thatcher's "Shadow Cabinet"—or, to be accurate, *the Leader's Consultative Committee*—still contains at least three senior members who held the same position under Mr. Heath. Mr. James Prior is still shadowing *employment*, Sir Michael Havers is still the law spokesman, and Mr. Humphrey Atkins is still the opposition chief whip.

It is also notable that where Mrs. Thatcher did make changes at the start she has tended to stick with them. Sir Geoffrey Howe has been shadowing the Treasury from the beginning. It is the same with Mrs. Sally Oppenheim on consumer affairs, just as it was with Mr. Airey Neave on Northern Ireland until his appalling death last week. Sir Ian Gilmour has been *shadowing defence for almost* as long.

The one great exception was the dismissal of the late Mr. Reginald Maudling as Shadow *Foreign Secretary. But in* general, as far as appointments are concerned, Mrs. Thatcher as leader of the Opposition has behaved much like Mr. *Callaghan* as *Prime Minister.* She has made changes in the team only when obliged to do so—by death, sickness or resignation. Even then the changes have been minimal and appear to conform to no particular ideological pattern.

There was some surprise last autumn when Mr. Mark Carlisle was appointed education spokesman without any very obvious qualifications for the job. But again Mrs. Thatcher kept the reshuffle as small as possible. She had been forced to do something by the illness of Mr. John Davies at foreign affairs, so she replaced Mr. Davies with Mr. Francis Pym and gave Mr. *Pym's old job as shadow Leader* of the House to Mr. Norman St. John Stevas, who was an obvious choice both as a skilled *performer* and *as a constitutional historian.*

The best explanation one has heard of why she filled the gap left at education with Mr. Carlisle is that he had spoken up for her at a time when she was under criticism from the Tory left for her remarks on immigration. Coming from a man who was himself suspected of being liberal, this support was welcome and was judged worthy of reward when the opportunity arose.

One reason why there have not been more radical and more frequent reshuffles may be that a general election was always in the offing. There was always the danger that front bench spokesmen new to their jobs would have to fight an election campaign before having read *themselves in. But there also* seems to be an element of cautiousness.

PETER WALKER
. . . energy or trade

SIR GEOFFREY HOWE
. . . choice for Chancellor

EDWARD DU CANN
. . . why not agriculture?

A similar cautiousness can be seen in her attitude to Government Departments. If the Tories do win the election, it seems unlikely that there would be any dramatic changes in the structure of government, at least at the start. Even recent reports that the Departments of Trade and Industry would be merged are now dismissed as premature. The "think tank"—or Central Policy Review Staff—would be kept. There might be a feeling that nearly all Departments should be trimmed, but there is no questioning the basic machinery.

Yet, as polling day approaches, it must be clear that there are some problems of personnel and portfolios that are far from being resolved. Forming a Cabinet is quite different from getting by with the *shadows. There is the question* of Mr. Heath. Would he serve? There is the vacuum left by the death of Mr. Neave, who would almost certainly have been Mrs. Thatcher's *man in Northern* Ireland. There is the position of those leading Conservatives who have not had a place in the Leader's Consultative Committee, but who would have a strong claim to a place in a Tory Cabinet—Mr. Peter Walker, Mr. Edward Du Cann and perhaps Mr. Geoffrey Rippon. There are others who have been close to Mrs. Thatcher, but who have not always had a shadow portfolio, Mr. Nicholas Ridley, Mr. Angus Maude and Mr. John Biffen come to mind. There is the case of Mr. Atkins, who has been chief whip long enough to expect something better. Not least, there must be a question mark over agriculture since Mr. John Silkin has shown what can be done with the job, at any *rate in terms of publicity.*

Mr. Heath's position is still uncertain. Not so long ago Mrs. Thatcher had the bright idea of offering him defence. It had the obvious attraction of allowing him to get on with an important job without obliging him to sit under the Leader's wing at (say) meetings of the European Council. Now it appears that Mr. Heath has indicated that he would accept only the Chancellorship. It is an impossible position and he must know it. Not only is his current economic philosophy quite incompatable with that of Mrs. Thatcher: it has become almost inconceivable in recent months that the office of Chancellor of the Exchequer would go to anyone other than Sir Geoffrey Howe.

That, then, is one post filled—even if Mrs. Thatcher intends to overlord it herself. Until recently, it also seemed that Mr. Francis Pym was a safe bet for the Foreign Office, although Lord Carrington was a declared contender. The death of Mr. *Neave may have changed all* that. Clearly the task of Secretary of State for Northern Ireland is an important one, perhaps more so now than ever. *It is also one that no good Tory* could turn down if offered. Duty, if not *noblesse*, would compel acceptance. That would apply to Mr. Pym, who served there briefly at the end of the Heath Administration. But might it not be an even better idea to offer it to the liberal Lord Carrington? After all, there could be very little wrong with giving a senior Cabinet post to a Lord if he has to spend most of his time in Stormont. An outside bet would be Mr. Atkins, though *he is said also to have his eye* on defence.

Let us assume that the next round of calculations is the conventional one. Mrs. Thatcher puts Mr. Whitelaw in the Home Office, Sir Ian Gilmour being regarded as altogether too liberal. *Mr. Prior stays with employment* if only because he has been *there so long that he has become* a sort of symbol of one particular strand in Tory thinking. Besides, his removal would excite speculation about the significance to be attached to it.

For rather similar reasons Sir Keith Joseph stays with industry. To appoint him Chancellor of the Duchy of Lancaster, for example, would only encourage the belief that he was the real *eminence grise* behind a Thatcher Government. It would not be worth the effort, especially as he could continue to advise Mrs. Thatcher from any post whatsoever.

Some other appointments fall easily into place. Mr. Nicholas Edwards gets Wales, provided that he holds his seat. Mr. *Teddy Taylor gets Scotland* rather than the devolutionist, Mr. Alick Buchanan-Smith. (It would be a major surprise if it were the other way round.) *Lord Thorneycroft is persuaded* to join the Cabinet without portfolio, at least for a while, because of his position as an old and trusted adviser.

But it is at *this* stage that the calculations become more difficult. What about those rising stars, favourites and outsiders who need to be brought in somewhere? And what about those stricky posts such as agriculture? Mr. Peter Walker has to come in, especially if Mr. Heath is out, but it is beginning to look as if there are not enough senior posts to go round. Someone will have to be dropped. Mr. Tom King, the present energy spokesman, looks vulnerable and nice Mr. John Peyton, at agriculture, might not be capable of taking on his European counterparts in the manner of Mr. Silkin.

Rising star

That frees two posts. Mr. *Walker could go to Energy.* Better still he could go to trade. Mr. John Nott, the rising star who has been shadowing the post, could become Chief *Secretary at the Treasury.* But that still leaves Mr. Du Cann and Mr. Biffen, and the posts of Chancellor of the Duchy and Agriculture are still open. Mr. Biffen is a candidate for both posts. He is, in effect, shadow Chancellor of the Duchy at the moment. But he is also somewhat sceptical of Europe and has experience of farming. On reflection, he seems better suited to take over the role Mr. Harold Lever plays at the Duchy in the present government. He could have responsibility for small *businesses*, give general economic advice and instead of going round reassuring the City that the Government is sound at heart, he could reassure the *trades unions.*

Yet could one risk giving agriculture to Mr. Du Cann? He is not a European. In the House of Commons on Tues*day he stood up and effectively* out-Silkined Mr. Silkin. On the other hand, his stature in the House is considerable. He is also a patriot. The alternative might be Lord Soames, but he is regarded by sections of the party as a soft touch for the French and Germans and anyway there are too many Lords. So why not Mr. Du Cann?

Problems remain. No senior place has been found for Mr. Nicholas Ridley. The question of defence has not been resolved. What if Mr. Heath were to change his mind? What if Lord Carrington preferred to retreat to Rio Tinto Zinc if he could not become Foreign Secretary? There are also no bright young faces, despite an able up-and-coming generation on the Tory *benches.*

It is at this stage that one realises that the process of Cabinet-making is not only difficult, but nearly impossible. *It is much easier to settle for* the resources available almost in their present positions and go along by trial and error. Assuming there is a Thatcher *Cabinet Mark 1, a Thatcher* Cabinet Mark 2, bringing in the second generation, could look very different. Yet one cannot help thinking that one has heard that sort of thing before. Politics does not change very much, except, perhaps by accident.

Malcolm Rutherford

Letters to the Editor

Sinking fast

From the president, Hampton Roads Energy Company

Sir,—The article by Ray Dafter (March 16) entitled, "The tangled web of controls," tells the "sad story" of what is happening in America: We are galloping down Britain's road—in fact, we are surpassing you because our productivity is now lower than yours. In his article, Ray Dafter referred to remarks by Bob Yancey, president of Ashland Oil—we are "the would-be refiner," who has "spent nine years and $8m trying to get permits to construct a new refinery in Virginia." We, in America, are committing hari-kari via idiotic environmental laws that have us locked into "no growth" while doing little, if anything, to clean up our "nest." In fact, our refinery would have been producing clean, low-sulphur fuels and unleaded gasoline (both are in short supply here) if our refinery had been built six years ago. Actually, our enviromental problem is "smog"—caused, in our case, by nature (methane from the adjacent Dismal Swamp and automobile emissions). The automobile is *sacrosanct* and *untouchable* by the politicians, and it continues to gulp up increasing volumes of gasoline. These volumes will have to be imported more and *more, and our balance of payments* will get worse while foreign aid will skyrocket for the Middle East peace. We will soon be looking to Europe for energy and for a "Marshall Plan" for America, so hurry up and find more oil.

John K. Evans,
Suite 915,
1010, Vermont Avenue,
Northwest, Washington, D.C.

Lorry weights

From Mr. M. D. Redler

Sir,—Before the Government inquiry into lorry weights becomes too involved, would someone please state how much *it is going to cost* to strengthen roads to carry the extra weight of 44-tonne lorries? In areas like Cheltenham, where the roads rest on wet clay or sand for much of the year, even existing lorries appear to the inexpert eye to be much too heavy for the road surfaces and the sewers and other pipes beneath them.

Furthermore, when the shocks of lorries passing over bumps or pot holes can already be felt occasionally in houses 150 metres away, who is going to protect the householder and pay for the damage?

M. D. Redler.
3, Witney Court,
Western Road,
Cheltenham.

Dangerous waste

From Mr. M. E. D. Biggs

Sir,—Your Education Correspondent sees ". . . the destiny of the bottom quarter (of the schools population) as the most intractable problem lying before education." Quite right; and it is not much to the credit of the theorists and careerists in education that it is so. Can they not understand why "school" to the "bottom quarter" often feels like an educational sentence until the year they are 16, and that their greatest fulfilment is to escape?

May I suggest that the educationists consider the provision of incentives to secure earlier release from such a sentence? If a student can achieve an industrially acceptable standard of literacy and numeracy, and at least one useful skill, or employment to go to, should he or she not be allowed to leave? After all, an educational system exists to which students can return in order to change skills as industrial demand alters, or as they themselves develop.

May I suggest too that incentives are provided to attract teachers of top quality to schools with a bottom quarter potential? By that I do not mean those with top academic qualifications; no, throw those to the bright ones who require little more than guidance. The bottom quarter desperately needs all the teachers with real talent, imagination, drive and dedication that there are—and if high pay, or special conditions of work, will get them where they are wanted, it should be offered to them.

Otherwise we are providing society with a dangerous substratum of wasted lives.

M. E. D. Biggs.
Farnaby's,
Elgin Road,
Weybridge, Surrey.

Rented sector

From the Chief General Manager, The Abbey National Building Society

Sir,—May I reply very briefly to Mr. Cutting (April 4) concerning my proposal that building societies operate in the rented sector?

He may be right that societies will ultimately seek some *relief from* Rent Act restrictions, but I repeat that this may not be essential. Continuity of tenure would not necessarily constitute an obstacle to their purpose, and in regard to "fair rents", we would expect to manage on the same basis and at least as well as Housing Associations.

C. E. L Thornton,
Abbey House,
Baker Street, NW1.

Cambridge arguments

From Mr. M. L. H. Macmillan

Sir,—I refer to the recently published Cambridge Economic Policy Review and must agree with Samuel Brittan that the Cambridge method of analysis is "profoundly misguided"—and consequently their conclusion awry.

May I challenge one or two specific points not mentioned by Mr. Brittan in his article (March 29), and which apparently form part of the Cambridge thesis?

1—U.S. *reflation* at *home* combined with import controls will solve unemployment and the deficit—Cambridge "structuralists" should realise that modern economic theorists (Leijohnhuvud, Clower and others) have substantive arguments against the feasibility of governmental reflationary measures in modern economies where the classic "responses" may not be there. "Liquidity traps" and structural inflexibilities combined with domestic reflationary monetary/fiscal measures equals stagflation: domestic stagflation equals less export competitivity and more *imports.*

2—OPEC imports will again rise to match increased receipts from oil price rises—surely OPEC countries are pushing up prices because (inter alia) they want to be able to put aside savings for the proverbial rainy day when the proverbial goose ceases to lay golden eggs and oil resources are exhausted. Not all will be spent so further oil price rises cannot be regarded with bland ivory tower equanimity.

3—Discriminating against the Japanese means greater export potential for other countries—truisms are perhaps the Cambridge school's forte, but this one does not need reiterating.

I do not reject the Cambridge school out of hand, nor deny that competent academics, econometricians and practical or "applied" economists abide therein. But "turning arguments on their head," as Mr. Brittan puts it, whether the dollar shortage one, or prescribing import controls and domestic inflation instead of devaluation and domestic deflation, is surely unproductive—the counter-arguments are already there, and theoretical perversity of no subsitute for empirical realism.

M. L. H. Macmillan.
37, Rylett Road,
London, W12.

Accounting alternatives

From Mr. Henry A. V. Wilson

Sir,—I am very much in agreement with Mr. B. Prodhan's suggestion (March 27) that all UK companies should have a common accounting year. However, there are practicial difficulties, as it would create enormous peak demands on the auditing profession and the Inland Revenue would probably not wish to have a seasonal concentration of taxable profit computations.

Perhaps an acceptable alternative would be for all quoted companies to have an accounting year ending with either March, June, September or December and that they should publish unaudited interim accounts in summarised form each quarter. In this way government department, financial analysts, economists, investors, trades unions and others could have a regular flow of up-to-date information on a large segment of the UK economy.

Henry A. V. Wilson.
66, The Spinney,
Beaconsfield, Bucks.

Premium relief

From the Secretary General, The Life Offices' Association.

Sir,—In his letter (March 31) Mr. W. Jaspert suggested that under the new system of granting life assurance premium relief all policyholders should have been offered the alternative of continuing premium payments as before and in return receiving bigger insurance cover.

Apart from the fact that the legislation introducing the new system did not make provision for offering the alternative of higher sums assured except in the case of some industrial branch policies, the life offices would have been faced with extensive administrative difficulties and costs in offering policyholders a choice as suggested.

Michael Oppé,
The Life Offices' Association.

Farmers have a case

From The Viscount Trenchard

Sir,—I note the letter from the president of the NFU Mr. Richard Butler (March 30). There is a tendency among many of us who are not farmers to discount their warnings. This has been the greater because of the universal desire to reduce inflation. I believe we must now heed them.

Regrettably this country has very few "strong suits." Where in industry, our productivity lags further behind our competitors, in agriculture, it is still well above the average of the EEC. I say still because the EEC is now shedding farm labour at a much faster rate than we are. *For instance* Germany has shed 34 per cent of those working on the land in the eight years ended in 1976. They are catching up behind the protection of a subsidy level through Monetary Compensation Amounts and the green pound, which has averaged 30 per cent of price over recent years.

It is confirmation of efficiency that this has not destroyed our agriculture, but the bank lend*ing figures to farming support* the simple arithmetic that shows that the 5 per cent green pound devaluation is not enough. Of course in many commodities, damage will take time—even years—to show up, but by then it could be irreparable.

I think it is probable that on a fair competitive basis since UK accession, our agriculture and processing industries could have saved between £500 and £1,000m per annum through increased shares of our own market for temperate foods and through some extra exports. Why have we missed and are still ignoring this opportunity? The answer, of course, is short-term food prices and the battle against inflation. For a year or two this was, of course, justifiable but we have now half thrown away an opportunity to expand one of the very few areas where we are competitive.

I can now hear the cries of some readers about EEC prices being too high and surplus too large. My answer is that, had we given agriculture a fair competitive opportunity to expand, EEC prices would by now have been forced down. The first principle of the CAP, to allow production to rise in low cost areas and to decline in high cost areas, would have been forced into operation. Social measures to assist small French and German farmers would have had to be developed. The NFU is not asking for current EEC *price levels or anywhere near* them.

British consumer interests lie in supporting a much fairer opportunity for British farmers. They should beware of certain slightly spurious statistics of world prices and availabilities at the bottom of the usual commodity cycle. In 1974 and 1975, we probably got our food cheaper as a result of EEC membership. There are things which need to be changed in the CAP. They will be changed earlier with a little diplomacy and with a fairer trading opportunity for our farmers to expand and force change in keeping with the main principle of the CAP.

Viscount Trenchard.
Abdale House, North Mymms,
Hatfield, Herts.

Today's Events

GENERAL

UK: Mr. David Steel, Liberal Party chairman, opens Liberal *Trades Union conference*, Blackpool.

Mr. Len Murray, TUC general secretary; Mr. Tom Jackson, Union of Post Office Workers *general secretary; and Mr. David* Ennals, Social Services Secretary, launch "Good neighbour campaign," Congress House, London.

London Transport engineering staff pay talks start.

Association of British Chambers of Commerce annual conference discusses trade unions and small businesses; Sir Freddie Laker, chairman of *Laker Airways, speaks at lunch,* Royal Garden Hotel, London.

British Small Animal Veterinary Association Congress opens, Cunard International Hotel, London (until April 18).

Design Council statement on 1979 awards to British motor industry.

Sir Kenneth Cork, Lord Mayor of London, attends 50th anniversary dinner of the Cocoa Association of London, Mansion House.

Antiques Exhibition opens at Bristol Museum (until May 5).

Birmingham Motor Show *opens at Bingley Hall (until* April 17).

Duke of Edinburgh is reviewing officer at Sovereign's Parade, Royal Military Academy, Sandhurst.

Overseas: Mr. Sunao Sonoda, Japanese Foreign Minister, has meetings in Washington with Special Trade Representative Strauss, Secretary of State for Foreign Affairs Vance, Defence Secretary Brown and Energy Secretary Schlesinger, in preparation for June Tokyo summit.

Noon deadline for Mr. Connie Mulder to recant allegations against South African Cabinet Ministers said to be involved in Ministry of Information scandal.

COMPANY RESULTS

Final dividends: Firmin and Sons. F. Miller Textiles. Pearl Assurance Company. Scottish Television. Unicorn Industries. E. Upton and Sons.

COMPANY MEETINGS

British American and General Trust, 20 Fenchurch Street, EC, 11.30. London Investment Trust, 96-98 Marsham Street, SW, 10.30.

LUNCHTIME MUSIC, London

Recorded music by Mahler at Holy Sepulchre, Holborn, 1.15.

Piano recital by Luc Devos at St. Martin-within-Ludgate, 1.15.

GKN reaches £87m but UK motor profits hit

WITH SECOND half profits showing an increase from £31.5m to £45.3m the total pre-tax balance of Guest Keen and Nettlefolds, the steel group, has reached £87.3m in 1978. This comes close to the record £88.5m achieved in 1976 and compares with £72.3m for 1977.

The directors report that market conditions in the second half showed little improvement on those of the first six months. Throughout the year there was a general lack of buoyancy in the steel, automotive and building and construction sectors.

Although automotive component sales in Europe improved as the year progressed, the UK automotive companies, hampered by industrial unrest, fell well below their first half performance.

As regards the current year the directors state that the general trading environment shows little sign of being significantly different from that of 1978 and the opening months of the year have seen a high level of industrial disruption in the UK.

They point out that in the last 12 months the group has been moving towards a more concentrated organisation based on main business areas which will provide a firm base for future growth and profitability. This has involved the disposal and closure of a number of activities unrelated to the planned strategy.

External turnover in the year showed a rise from £1.64bn to £1.75bn. The trading surplus was higher at £96.3m compared with £83.1m and this was after a total depreciation charge of £61.4m (£56.8m), which included an additional £19.9m (£19.5m) for inflation.

Total exports from the UK rose to £225m (£203m) despite difficult market conditions brought about by the strengthening of sterling in the second half. Group sales to the U.S. jumped by 65 per cent to £72m.

An analysis of the trading surplus shows: primary metal products £13m; automotive components £47m; wholesale and industrial distribution £13m; and general and civil engineering products and services £23m. UK companies contributed £56.3m (£52.5m) and overseas £40m (£30.6m).

Providing for tax and minorities the year's earnings come through at £40.4m against £35.8m. Earnings per share are stated at 26.7p (24.9p), or 40.8p (39.2p) before charging additional depreciation for inflation. The directors point out that earnings per share have been increased by 10p (14.1p) arising from the current basis of providing for deferred tax.

The dividend total is increased from 15.5645p to 17.3803p, with a final of 11.7914p.

The tax charge — £41.6m (£31.7m)—has benefited from accelerated capital allowances, stock appreciation relief and certain other timing differences. Without the benefit of these allowances the tax charge would have been increased by £15.1m (£20.6m).

Capital expenditure sanctioned and outstanding at December 31 amounted to £73m (£80m). Contracts placed against these amount to £28.8m (£34.7m).

The balance-sheet at December 31 showed net borrowings up from £67.7m to £121.7m—overdrafts and short-term loans rose from £94.1m to £146.4m, while cash was lower at £24.7m against £36.4m.

See Lex

HIGHLIGHTS

GKN has pleased the City with results usefully above expectations. Lex discusses the company's good performance overseas and in autocomponents plus the sharp upturn in the general engineering division. Lex also looks at yesterday's monetary decisions by the authorities with MLR coming down a point and sterling being allowed to float more freely. **Cadbury Schweppes'** profits are unchanged but the group is forecasting a material improvement this year, likewise **Bowater's** profits are stagnant but the pulp cycle is turning up and the next two years should be much better. **Ladbroke's** profits are more than doubled in the second half leaving the full year well ahead of market expectations. Elsewhere **Taylor Woodrow** is ahead of forecast, but at **London Brick** the growth rate has slowed down and profits are only 16 per cent higher for the year.

Ladbroke leaps 71% to £41m

OUTSTRIPPING ITS midway forecast by £10m Ladbrokes Group, the bookmaker, casinos, holidays and hotels concern, lifted taxable profit 71 per cent in 1978 from £24.28m to a record £41.4m. The second half surplus was more than doubled from £13.35m to £27.6m and turnover for the year was up 21 per cent at £469m, against £388m.

The growth reflected progress throughout the group. Mr. Cyril Stein, the chairman, says the company is continuing to invest and expand and looks to the future with confidence.

Of renewal of the group's London casino licenees, due for renewal in May, he says: "Following some irresponsible Press publicity police objections are now anticipated based on alleged technical breaches but it has been made clear there will be no prosecution.

"The objections will be strenuously and, in the view of the company's legal advisers, successfully resisted."

The hotel, holiday and entertainment sector increased its share of group profit, against good performance in betting and casinos which in 1977 accounted for over £19m of the total.

A net final dividend of 4.0166p lifts the total to a maximum permitted 7.8166p (7.0606p) costing £4.47m (£3.56m) which is covered 5.1 (4) times. Again the Board says it intended to recommend a substantial increase in dividend as soon as possible.

After tax of £17.82m (£9.23m) stated earnings per 10p share emerge 44 per cent higher at 41.53p, compared with 28.89p.

In accordance with accounting standard No. 12, £600,000 additional provision for depreciation has been made on operating properties. In addition £850,000 has been set aside for share acquisitions under a new employee share scheme to be approved at the annual meeting.

	1978 £000	1977 £000
Turnover	469,000	387,693
Pre-tax profit	41,000	24,281
Tax	17,820	9,225
Minority interests†	830	791
Available	22,750	14,265

†And pre-acquisition profits.

See Lex

Bowater pulls ahead in second half—sales lower

ADVANCES in Bowater Corporation's building products, lumber furniture, carpets and tissue products activities offset a downturn in its packaging and international trading divisions in 1978. Helped by lower interest the group more than made up the £2.2m decline in pre-tax profit seen at half time to finish the year £3m higher at £90m but sales were lower at £1.56bn against £1.72bn.

Paper and pulp, the company's prime source of revenue, stood still with a trading surplus of £65.9m on sales up from £385m to £412m.

Overall trading profit amounted to £111.8m (£110.5m) with a fall from £67.1m to £62.1m in North America, and the UK holding £35m (£35.9m). Elsewhere in Europe there was an improvement to £5.7m (£3.8m) while Australasia was steady at £5.7m (£5.9m) and there was a recovery from £1.8m loss to £3.3m profit in the Far East and other areas.

	1978 £m	1977 £m
Sales	1,564.0	1,723.0
Trading profit	111.8	110.5
Depreciation	30.9	32.1
Interest	17.2	20.5
Central costs	4.6	3.0
Pre-tax profit	90.0	87.0
Tax	45.5	48.4
Net profit	44.5	38.6
Minority interests	8.9	8.3
Extraord. gain	0.5	†0.1
Attributable	36.1	30.2
Pref. dividend	0.3	0.3
Ord. dividend	16.3	14.1
ACT not covered	1.5	—
Retained	18.0	15.8

† Loss.

As a result of eliminating more loss-making operations and the benefits of past tax losses in some areas the total tax charge, excluding £1.5m uncovered ACT this time, was less at £45.5m (£48.4m).

Stated earnings per £1 share were up 1.7p at 23.6p or, after the ACT amount, up 0.7p at 22.6p. The Board considers it more appropriate to treat ACT as an additional cost of dividends.

Interest amounted to £17.2m (£20.5m) and unallocated central costs were up from £3m to £4.6m.

The results include sales of £37m (£279m) and are after a £0.4m (£4.9m surplus) attributable to the Kay Corporation of America in which the group sold its 43 per cent controlling interest early in 1978.

An analysis of sales and trading surplus by activity shows in £ms: paper and pulp £412 (£385) and £65.9 (£65.9); packaging £139 (£132) and £11.9 (£14.2); building products, lumber, furniture and carpets £134 (£102) and £6.8 (£0.2); tissue products £143 (£131) and £16.8 (£13.1); and international trading, transportation and other activities £738 (£973) and £10.4 (£17.1).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bowater	6.77	July 6	5.7	10.83	9.78
British Printing	2.4†	May 31	2.18	3.5	3.18
Brown Boveri	1.2	July 2	1	2.2	1.76
Cadbury Schweppes	2.45	July 2	2.09	3.4	3.04
Carron Co. (Hldgs.)	2.43	—	2.04	3.97	3.58
City Ldn. Brew. 3rd int.	0.69	May 31	0.6	—	2.76
De Vere Hotels	2.97	July 2	2.66	5.2	4.65
East Rand Cons.	1.05	June 29	1.05	1.05	1.05
Grampian Hldgs.	2.96	—	2.49	4.46	3.99
Guest Keen	11.79	May 26	10.06	17.38	15.56
Kraft Productions	0.34	—	0.33	0.67	0.66
Ladbroke	4.02	—	4	7.82	7.06
FJC Lilley	1.68	June 4	1.5	2.79	2.5
London Brick	2.19	June 30	1.96	3.6	3.26
M. Cotts Grp. int.	0.66	June 4	0.66	—	3.46
Morg. Crucible Sec. int.	2.24	July 2	2.2	5.89	5.31
Wm. Morrison	0.66	—	0.43*	1	0.75*
Ofrex	2.39	May 24	1.95*	3.6	3.04*
Startrite Engrg. int.	1.6	May 23	1.4	—	3.9
Henry Sykes	2.5	May 21	2.65	4	3.2
Taylor Woodrow	6.49†	June 30	5.62	8.5	7.6
Tilbury Contracting	16.38	May 31	14.04	22.38	20.04

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Mitchell Cotts fall to be greater than expected

AS EXPECTED, taxable profits of Mitchell Cotts Group, engineering, freight, transport, vehicle distribution concern, fell in the six months to December 31, 1978, from £4.58m to £2.67m. Turnover was just ahead from £124.7m to £125.2m.

Mr. P. P. Dunkley, chairman, says the main element in the profits drop was a lower level of activity in the field of engineering projects both in South Africa and Australia.

And the group was faced with industrial unrest in the UK and elsewhere, as well as bad weather in Europe.

These adverse conditions have continued into the third quarter, he adds, and the decline in profits for the full year "is likely to be greater than was expected."

For the whole of the previous year profits were down from a record £11.67m to £10.24m.

The directors announce an unchanged interim dividend per 25p share of 0.65625p net. Last year's final payment was 2.8p.

● comment

A shortage of follow-up contracts in South Africa and Australia has knocked the stuffing out of Mitchell Cotts Group's first half results. South Africa alone accounts for around 45 per cent of group profits, so when the 79 per cent-owned subsidiary in that country reported a 40 per cent shortfall in the first six months, the market was expecting some poor group figures. In the event, strikes and bad weather at home and in Europe added to the problems, and group profits dropped by 42 per cent. It is clearly taking a long time for the company to get any benefits from the improvements in the economies where its principal overseas buscinesses are based. At best the outlook is that the second half will show only a small improvement over the first six months, suggesting a pre-tax outturn of about £6m (£10.24m). The company's main appeal is as an income stock so the directors will be keen to maintain the dividend. If so, the prospective yield is 13.8 per cent at 38p.

STERLING TRUST

Sterling Trust has announced that £464,620 5 per cent convertible unsecured loan stock 1987-1992 has been purchased and cancelled.

Crellon passes pref. dividend

Crellon Holdings, the electrical group, for which Mr. Geoffrey Rose mounted a rescue last year, is passing the dividend on its preference shares.

The Board, now under the chairmanship of Mr. Joseph Elger, cites "accumulated losses and the potential loss expected at the year end" as the reason.

In mid-February Mr. Rose sold his holdings in Crellon, including ½m preference shares, and resigned from the Board in order to devote himself to Audiotronic Holdings, one of the two other companies he took on as "company doctor" last year.

The shares, issued in June 1978 at 10p, were sold for 15p to Anthony Gibbs Investment Management on behalf of Mr. Elger. Yesterday, in the market, they fell 6p to 12p.

Last night Mr. Rose said that when he sold the shares in February he had "no idea that the dividend would be passed."

Anthony Gibbs said that it was not expecting a dividend. "There were losses at half time and one couldn't have expected a dramatic turnround."

Six weeks before his resignation as chairman, Mr. Rose presented the interim figures for Crellon which showed losses for the six months to October of £109,000 pre-tax.

This compared with a £5,000 profit for the comparable period but was an improvement on the £918,000 loss in the second half of 1977-78.

Presenting the figures Mr. Rose said that he expected the group to make a profit in the second half to April, 1979 as losses in the electrical division had been halted.

No interim dividend was paid but a final was to be considered when the year end figures were known.

Yesterday Mr. Rose explained that he had been "pretty well a non-executive director" at the time.

When the figures for the half year and the second half prospects had been discussed in the boardroom in December he had been told that the electronic division was performing well and that though there were problems in the electric division these were "solvable." From the beginning of November he had in any case been virtually a full time director of Audiotronic.

Ofrex up 25% to £4.92m

DESPITE a second half slowdown in growth, record taxable profits of £4.92m, against £3.93m, are reported by Ofrex Group for 1978, a rise of 25.2 per cent. Sales were up 13.8 per cent from £35.43m to £40.34m.

At the halfway stage profits were well ahead at £2.46m against £1.68m, boosted by results from Howard Wall, acquired on November 25, 1977.

Full year's earnings per 20p share are given as 13.77p, compared with 10.48p, and a final dividend of 2.39p effectively raises the total from 3.04p to 3.6p net; the directors are seeking Treasury consent for a 20 per cent increase.

After tax £2.64m (£2.11m), minority interest and pre-acquisition earnings of Howard Wall last time, £206,000 and dividends, the retained amount emerged at £1.68m, against £1.12m.

Ofrex's interests include office supplies, stationery, educational supplies and equipment etc.

ELDRIDGE POPE

Eldridge Pope and Co. is redeeming the remaining 1935 A redeemable debenture stock at £102 per cent on August 1.

Brown Boveri expands 18%

DESPITE A slight narrowing of trading margins taxable profits of Brown Boveri Kent, instrument manufacturer, etc., rose 18 per cent from £6.31m to a record £7.44m for 1978 on a similar increase in sales to £81.1m.

Orders rose somewhat less, says Mr. J. G. Vaughan, the chairman, reflecting intense international competition and reduced investment projects in the process industries. Another factor was the deteriorating competitiveness of UK production due to the strength of sterling, he adds.

The company's sound financial and international position enables it to look to the longer term with confidence, but the chairman says it will be difficult, in the short term, to maintain the sales and profits growth achieved in recent years.

At midway profits rose from £2.93m to £3.56m and the directors said they believed their policies would provide further increase in the second half.

Full year earnings are shown as 9.47p against 8.38p per 25p share, and a final payment of 1.2p lifts the total dividend from 1.76p to 2.2p net, costing £1.19m (£764,000).

After tax, SSAP 15 adjusted, of £1.88m (£1.77m), minorities £736,000 (£682,000) and an extraordinary debit of £321,000 (£920,000), the available balance emerged at £4.51m, compared with £2.93m.

The extraordinary debit comprised of exchange translation changes £245,000 (£920,000) and capital duty and rights issue expenses £76,000 (nil).

Profit of subsidiary, George Kent, rose from £5.64m to £6.72m before tax £1.3m (£1.39m), etc. Dividends payable to Brown Boveri 10p (6.47p).

● comment

Sales volume at BBK was up by around 9 per cent in 1978. The growth rate was down on 1977 and it looks as though it will fall again in 1979. With new capital investment looking a little soggy worldwide BBK is facing increasing competition, particularly from U.S. firms that can price in dollars. The result is a slowdown in new order intake which, while significant, is not sufficient to check profit growth overall — but it could be small. The shares are tightly held with the parent, Brown, Boveri of Switzerland controlling 55 per cent and the NEB a further 20 per cent. Since the scheme of arrangement in 1974 profits have grown rapidly, management is sound and longer term prospects for industrial instruments, process control and liquid metering equipment look promising. But a sizeable portion of products are exported and shifts in competitiveness may hit future figures. The shares, at 66p, have a p/e of 6.8 and yield of 5.1 per cent. This reflects the short term prospects fully.

UK COMPANY NEWS

Cadbury sales at £1bn but profits unchanged

TAXABLE PROFITS of Cadbury Schweppes were unchanged at £48.2m for 1978 on sales up by 15 per cent from £883.6m to £1.01bn.

Sir Adrian Cadbury, the chairman, says there will be a significant change in the balance of profit contribution in the current year. The company is aiming for a material improvement in profit with a greater contribution than before from North America.

He says that every major operation earned a higher trading profit except the Australian confectionery division and the UK tea and foods side.

At the interim stage the directors reported virtually unchanged profits of £18.5m against £18.7m on sales of £446m (£400m) and said that given a continuation of the latest sales trends they expected results for the full year to show an improvement over those for 1977.

The company has a five year programme to build on its established position in the North American market and to improve its return on assets in the UK.

Sir Adrian states that the UK divisions raised their return on operating assets and there was a major shift in the geographical balance of operations during 1978.

Concentration on major brands began to show returns with both Schweppes and Cadbury improving their UK and U.S. market shares and Schweppes doing the same in the drinks markets of Europe and Australia.

He adds that the main Peter Paul Cadbury brands—Peter Paul having been acquired in April 1978—sold at record levels.

Earnings per 25p share are shown as 7.25p (7.94p) on a net basis and 7.83p (8.59p) on a nil distribution basis and the dividend is stepped up to

	1978 £m	1977 £m
Sales	1,012.7	883.6
Trading profit	62.0	59.4
Investment income	2.7	2.8
Interest payable	17.1	14.2
Share of assocs.	0.6	0.2
Profit before tax	48.2	48.2
Taxation	18.5	15.2
Net profit	29.7	33.0
Minority interests	3.0	3.8
Extraordinary debits	†10.5	0.5
Attributable	16.2	28.7

† Includes £9.1m for rationalisation costs in Canada and UK.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Medminster, Reliance Properties, "W" Ribbons.

Finals:—Brooke Watson, Evered, Firmin, Gaskell (Bacup), F. Miller (Textiles), Pearl Assurance, Scottish Television, Unicorn Industries, United Capitals Investment Trust, E. Upton.

FUTURE DATES

Interims:—

Anglo Scottish Investment Trust	Apr. 26
Bellway	Apr. 11
Bryant Holdings	Apr. 9
Sun Life	Apr. 18

Finals:—

Boosey and Hawkes	Apr. 11
Brown and Jackson	Apr. 12
Clarke, Nickolls and Coombs	Apr. 11
Hestair	Apr. 27
London and Holyrood Trust	Apr. 19
London and Northern	May 9
London and Provincial Trust	Apr. 19
Miller (Stanley)	Apr. 11
Rhodesian Corp.	Apr. 10
Richards (Leicester)	Apr. 9
Ruberoid	Apr. 10
Sanderson Keyser	Apr. 11
Tarmac	Apr. 27
Weeks Associates	†May 10

†Amended.

Sedgwick Forbes

Good progress is being made on the link up of Britain's largest insurance broking group, Sedgwick Forbes Bland Payne with Alexander and Alexander, a major U.S. insurance broker. This augurs well for the success of the operation Mr. Neil Mills, Sedgwick's chairman told shareholders at yesterday's annual general meeting.

Sedgwick Forbes is intending to co-ordinate its insurance business with the U.S. broker in a pooling arrangement.

Mr. Mills said it was too early to comment on the planned link-up or judge what influence other realignments between UK and U.S. insurance brokers would have on the business.

Grampian Hldgs. stages recovery

A STRONG second-half recovery was staged by Grampian Holdings. The group lifted taxable profits by 20 per cent from £1.46m to £1.77m in 1978 after trailing at £756,000, against £1.14m at the halfway stage.

At midway the Board said that third quarter trading had improved and a recovery was expected.

In the full year the industrial services side, led by the transport group, pushed up taxable profits from £219,000 to £1.01m. The printing and publishing sector continued its recovery to finish ahead from £105,000 to £292,000.

But the consumer goods division saw profits slide from £1.43m to £828,000.

An extraordinary item of £909,000 includes £600,000 for the disposal of Grampian Furniture which was sold to Goodtrade Supermarkets in February.

Tax for the year of £151,000 (£4,000) has been calculated on an SSAP 15 basis. There is an exceptional credit of £800,000 this time for deferred tax liability. It arises from a reassessment of the probable tax liability for the previous year.

A final dividend of 2.9575p net per 25p share lifts the total from 3.9925p to 4.4575p. Stated earnings per share are ahead from 13.36p to 15.88p. If the exceptional item is included, this year's stated earnings are up to 23.76p.

	1978 £000	1977 £000
Turnover	66,520	64,793
Profits before tax	1,765	1,404
Industrial services	1,007	215
Consumer goods	828	1,431
Printing/publishing	292	105
Parent co. exps.	343	339
Associated losses	[illegible]	†48
Tax	151	4
Exceptional credit	800	—
Profit after tax and exceptional credit	2,414	1,460
Pre-acquisition and minorities	67	35
Extraordinary debits	909	38

†Profit.

The group's interests include construction, transport and plant hire, light engineering and printing.

Following a property revaluation at June 30, 1978, £10,000 has been provided for the first time for property depreciation.

● comment

Elimination of losses in the English section of North Sea Gas Services and Utilities in 1977 was probably worth around £200,000 or much of the 20 per cent pre-tax profit improvement last year but, as Grampian enters the final stage of its rationalisation programme, there will be further benefits from recent closures. Loss elimination at the amplification equipment hire subsidiaries, may be worth another £200,000 in a full year and the sale of the furniture division will be worth £319,000. The transport division was almost entirely responsible for jump in industrial services' trading profits but the January-February strike cost about £250,000 at the pre-tax level which may take until the end of the year to recover. The Mitre Sports operation is expected to wipe out losses of £100,000 and turn in a positive contribution this time but the shares, up 3p to 66p yesterday, must now be looking ahead to the final, and ultimately more difficult, elements of rationalisation for which Grampian has already provided £400,000 below the line. In the meantime, the 3.5 times covered dividend yields 10.6 per cent and the fully taxed p/e is 8.2.

Wm. Morrison ahead by 26.4%

FOLLOWING A rise from £1.25m to £1.52m at mid-year, Wm. Morrison Supermarkets ended the 53 weeks to February 3, 1979 with pre-tax profits up 26.41 per cent to a record £3.57m, against £2.82m for the previous year. Sales advanced over 32 per cent to £113.21m.

At the trading level, profits were up 26.5 per cent to £4.96m. The acquisition of Whelans Discount Stores contributed £11.37m of sales and £136,000 of profits, and further substantial progress is anticipated in the current year.

Results do not include extraordinary debits amounting to £530,000 associated with the Whelans acquisition.

After a tax credit of £176,000 (£823,000 charge), earnings per 10p share are given well ahead at 18.2p (8.86p). Treasury approval has been given to effectively lift the dividend total by 33 per cent from 0.752p to 1p net, with a 0.657p final. Three directors have waived payments totalling £68,913 in the current year.

The directors report that new stores at Ince, Harrogate and Darlington are currently being built and an extension to the Halifax store will commence shortly. Other developments are at an advanced stage of negotiation.

	53 weeks 1978-9 £000	52 weeks 1977-8 £000
Sales	113,218	85,659
Trading profit	4,964	3,924
Depreciation	1,395	972
Rent receivable	195	173
Interest	196	304
Profit before tax	3,566	2,821
Tax credit	176	†823
Net profit	3,742	1,998

†Charge.

The company has changed its accounting policies, in relation to the provision for depreciation on freehold buildings and long lease land and buildings, together with the release of deferred tax account.

● comment

Morrison continues to push ahead and even stripping out profits from Whelans and adjusting for the extra week the pre-tax figure is a fifth higher. Volume growth was around five per cent from existing stores and further gains are likely this year through the big improvement should come from Whelans where Morrison is talking of sales approaching £1.6m this year, and as this acquisition added some 20 per cent to Morrison's selling area there could be a lot more to come. This year group sales could reach £135m and with some improvement in the gross margin pre-tax profits could be around £4½m despite a jump in interest costs which seems likely with the current store opening programme. In 1978 the shares were one of the best performers in the food retailing sector and to date this year they have jumped 45 per cent. Now at 139p, with a yield of one per cent and p/e of 8.5 or 18.7 fully taxed, they look on the expensive side though the substantial cover gives scope for a much higher dividend should the rules be changed.

Second half fall leaves Henry Sykes £0.5m off

TAXABLE profits of Henry Sykes, pump maker, fell from £957,000 to £555,000 in the second half leaving the figure for the 53 weeks ended December 31 1978 behind at £1.57m against a previous £2.08m.

Sales for the full period were virtually unchanged at £19.87m against £19.94m.

After tax of £581,000 (£417,000) earnings are shown as 11.5p (19.4p) per 25p share and the dividend is increased from 3.2p to 4p net with a final of 2.5p as forecast.

The company has changed its policy on deferred tax and now only provides for those timing differences which are not expected to continue in the foreseeable future.

Comparatives have been restated and the provision no longer required, amounting to £2.34m, has been added to reserves.

There was an extraordinary debit of £55,000 (£137,000) for the period and after dividends the balance of £585,000 (£1.25m) was retained.

● comment

Sykes has disappointed the market in its first full year as a quoted company. After being down marginally at halfway, full-year profits show a shortfall of 25 per cent and the shares slipped 7p to 80p yesterday where the p/e is 6.7 and the yield 7.7 per cent. Sykes was hit by a number of factors during 1978. In the UK, there was little support for pump sales from the depressed construction industry while the drier weather (rainfall was down by more than a third in England and Wales in the second half) reduced profits in the pump hire business. Overseas, the important Middle East and Nigerian economies, have been slowing down. There have also been heavy start-up costs to bear with the new range of pumps. Sykes is pinning most of its hopes for the current year on this new range. Overall the shares do not look expensive.

Midway rise for Startrite Engineering

An increase in pre-tax profits, from £214,440 to £240,370, is reported by Startrite Engineering Group for the half-year to December 31, 1978. Turnover advanced from £2.07m to £2.56m.

The directors say the second half has already been adversely affected by external industrial difficulties, and export ordering levels are being impaired by the strengthening of sterling.

But they expect the final result to compare favourably with the previous year, when taxable profits were £635,718.

After tax of £134,000 (£120,500) net profit came through at £106,370, against £93,940. The net interim dividend is lifted from 1.4p to 1.6p, and costs £24,000 (£21,000)—last year's total was 3.892p.

FOOD PRICE MOVEMENTS

	April 5 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,090	1,090	1,140
British A.1 per ton	1,035	1,035	1,065
Irish Special per ton	—	—	1,065
Ulster A.1 per ton¶	1,035	1,035	1,065
BUTTER			
NZ per 20 kg	14.11/14.24	14.11/14.24	14.11/14.24
English per cwt†	81.65	81.65	81.65
Danish salted per cwt†	83.10/85.85	83.10/85.85	83.10/85.85
CHEESE¶			
NZ per tonne	—	—	1,255
English cheddar trade per tonne	—	—	1,455
EGGS*			
Home produced:			
Size 4	3.15/3.40	3.10/3.40	3.40/3.60
Size 2	3.40/3.60	3.30/3.60	3.60/3.80
	April 5 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	54.0/58.0	54.0/58.0	54.0/59.0
Eire forequarters	34.0/37.0	34.0/38.0	39.0/42.0
LAMB			
English	90.0/96.0	60.0/74.0	58.0/64.0
NZ PLs/PMs	49.0/49.5	47.5/49.0	48.0/49.0
PORK			
All weights	34.0/45.0	34.0/45.0	34.0/45.0
POULTRY			
Oven-ready chickens	38.0/39.0	37.5/39.0	37.0/38.5

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. ¶ For delivery April 7-14.

London Brick £2m rise

WITH AN advance from £6.56m to £7.37m in the second half, 1978 taxable profits of London Brick Company moved ahead from £12.17m to £14.09m, on turnover some £20m higher at £111.3m.

Tax takes £4.99m (£4.63m) and after an extraordinary debit of £0.26m this time, attributable profits increased by £1.3m to £8.84m.

A final dividend of 2.19023p net, steps up the total from 3.2571p to 3.60393p per 25p share. Payments absorb £2.18m (£1.94m), leaving profits retained at £6.67m against £5.6m.

The group is mainly engaged in the production and sale of bricks; building, partition and floor blocks; field drain pipes and other clay products.

	1978 £000	1977 £000
Turnover	111,300	91,354
Trading profit	17,270	14,597
Depreciation	2,121	1,890
Interest paid	1,202	1,015
Investment income	377	492
Share of assocs. losses	229	10
Profit before tax	14,095	12,174
Tax	4,989	4,634
Net profit	9,106	7,540
Extraord. debit	264	—
Attributable	8,842	7,540
Dividends	2,176	1,942
Retained	6,666	5,598

● comment

Having been 20 per cent higher in the first half, London Brick's growth slowed down and for the full year profits are only 16 per cent up. Problems in Iran, Nigeria and Abu Dhabi hit the contribution from associates which moved into a loss, and led to a £0.26m extraordinary item below the line. London Brick's non-clay interests (just under a third of total profits) did not do particularly well either, so it was up to the group's traditional brick operations to make the running. The increase in private house building clearly helped (they use more bricks than public sector housing) and brick deliveries rose by 13 per cent during the year. Given that the group had the benefit of a near 10 per cent price increase last June the improvement in the group's total profits does not look very impressive. The shares closed 2p lower at 74p where they yield 7.3 per cent.

LWT at £3.34m in first half

AFTER reduced Exchequer Levy of £3.67m compared with £4.07m, taxable profits of LWT (Holdings), independent television programme contractor, were £3.34m in the 26 weeks to January 21, 1979, against £3.48m previously.

Turnover of £31m (£20.12m) includes for the first time the £6.66m sales of Hutchinson for the six months to December 31.

Mr. John Freeman, chairman, says television advertising revenue is some 20 per cent higher. He adds that the last half-year results were exceptional and included £157,000 capital profit.

He says that in the last annual report he suggested current year profits would not show a significant increase on the £6.51m previously. The high level of television programme expenditure continues as planned, and the directors confirm that there is likely to be no change in this prediction, he adds.

Tax for the half-year took £1.74m (£1.31m). The net interim dividend is raised from 3.555p to 3.9105p and costs £632,000 (£574,000)—last year's total payment was 9.282p.

Second half standstill leaves BPC 23% ahead

COMPARED WITH the first half jump of 110 per cent profits growth at British Printing Corporation came to a virtual standstill in the second six month with an improvement of only 2.8 per cent.

This has left the total for the year ended December 30, 1978, 23.7 per cent ahead at £7.12m which was achieved after absorbing heavier than expected trading losses of £1.8m against £0.8m at Sun Printers.

Mr. Peter Robinson, chairman, reports that 1979 has started badly due to loss of sales during the lorry drivers' dispute and the temporary suspension of the Sunday Times colour magazine. Interim results will therefore be depressed, he warns.

The chairman explains that the higher than expected loss from Sun Printers was principally due to industrial disputes at two major customers. This company has been successful in obtaining another major contract and additional sales for the equipment installed in September, 1978; the group still aims to reach the break-even point by 1980.

Mr. Robinson explains that the second half pre-tax profit was over double that of the first six months and that in 1979 this swing will become further pronounced. This follows a change in company law in Sweden which has meant an alteration in the accounting dates of the Swedish company's subsidiaries in Denmark and Norway.

The profit before tax was struck after redundancy payments of £380,000. After all charges including extraordinary items of £762,000 (£1.49m) and taking in exchange gains of £472,000 (£313,000 losses), the year's net balance comes through at £4.25m, against £1.62m. Earnings per 25p share are stated at 13.2p (10.5p).

As indicated at the time of the rights issue in September, 1978, the final dividend is increased from 2.1825p to 2.4p net on the higher capital. This raises the total from 3.1825p to 3.5p.

● comment

Only one of British Printing's three main operating divisions was in line with industry trends. Its packaging activities were slightly down in 1978, reflecting the fortunes of most of the sector because of pressure on margins. The biggest profit earner is printing and here, despite a £1.8m loss at Sun Printing, the trading figure is 58 per cent up. Higher productivity following investment in new equipment helped and there was also strong demand from the advertising industry for labels and printed cartons. Book Publishing earnings are only marginally higher despite a good increase in book sales in the UK as a whole. BPC did enjoy some benefit but the profit was held back by a halving in the Japanese subsidiary's contribution. Prospects for the first half of 1979 are not bright but, with more than 60 per cent of profits now coming in the second half, there may be a further slight improvement. The shares, at 58½p are on a p/e of 4.3 and a yield of 9.3 per cent.

Taylor Woodrow on target

IN LINE with the forecast of not less than £23m made at the time of February's £18m rights issue, pre-tax profits of Taylor Woodrow, the engineering, construction and development group, improved to £23.98m for 1978, compared with £22.42m a year earlier. Turnover was virtually unchanged at £393m.

Stated yearly net earnings per 25p share were 4.6p higher at 46.6p, while as forecast in February, a final dividend of 6.4853p net raises the total payment from 7.6029p to the maximum permitted 8.4953p. Payments for this year of not less than 12.74p were also projected.

	1978 £000	1977 £000
Turnover	393,000	392,000
Trading and inv. inc.	32,750	27,640
Depreciation	9,775	7,319
Share of assocs. profit	1,001	2,099
Profit before tax	23,976	22,420
Tax	12,078	11,296
Net profit	11,898	11,124
Minorities	1,002	1,386
Extraord. debits	963	1,477
Available	9,913	8,261
Dividends	1,990	1,772
Retained	7,923	6,489

A professional revaluation of the group's properties on an open market basis as at December 31, 1978 revealed a surplus £26.02m, after minorities, which has been put to reserves.

● comment

Taylor Woodrow's £23m profit forecast, brought out with its rights issue in February, was of necessity conservative and the actual result is a tactful £1m higher. This year should see some improvement as the two major Middle East contracts are completed, while property income should rise and UK contracting contribute more. TW is also looking for higher earnings from the U.S., although the real upswing may not come before 1980. An attributable income figure of £13.6m—implying pre-tax profits of nearly £30m—will be needed if there is to be no dilution in earnings per share this year; and this may be a little ambitious. Meanwhile the shares have returned to above their pre-rights issue level although contractors as a whole have not performed better than the market on the recent upward leg. At 392p, up 9p yesterday, the prospective yield is 4.9 per cent.

Morgan Crucible slightly up in disappointing year

A YEAR of swings and roundabouts which ended disappointingly is reported by Mr. Ian Weston Smith, chairman of Morgan Crucible Company.

Taxable profits for 1978 edged up from £11.94m to £12.27m on sales ahead from £89.25m to £100.02m. But Mr. Weston Smith points out that in real terms the surplus was lower.

He adds that there are signs of an improvement in world iron and steel industries, and in some continental markets and in Australia. Improved prospects were forecast at the nine-month stage when taxable profits were static at £9.26m.

There was an extraordinary debit of £1.41m (£202,000) which included £1.11m provision for the fire which substantially destroyed the Triton ceramic fibre factory in Liege, Belgium, last April.

Part of the cost of the fire has been absorbed in trading profit. The company says the insurance claim has been rejected by insurers, and legal proceedings are being taken against them in Belgium.

Tax for the year takes £4.64m, against £3.48m, and minorities and preference dividends £302,000 (£261,000), leaving attributable earnings down at £7.32m, against £8.2m. After the extraordinary debits, net attributable profits are further down at £5.92m, against £7.99m.

Shareholders are to get a second interim dividend of 2.237p net per 25p share which lifts the total from 5.31p to 5.89p. Stated earnings per share are down slightly at 17.6p against 19.8p.

The group supplies sophisticated components and materials to industries throughout the world.

● comment

Profits from Morgan Crucible may have fallen in real terms during 1978 but the group is now seeing signs of an improvement in some of its major markets. The final quarter enjoyed a 9.5 per cent pre-tax improvement after a broadly flat performance in the first nine months and the overall result would have been at least £500,000 higher had it not been for consequential costs of the Belgian ceramic fibre plant fire which were taken above the line. Results from the carbon division give an indication of the group's relative independence of the UK automotive market where it supplies carbon brushes and the process difficulties at Morganite Crucible, which held back the contribution from the Thermic division, are now said to be easing. The p/e of 6.75 on stated earnings may not be asking very much if, as now anticipated, world iron and steel industries are starting a recovery. The shares climbed 2p to 121p yesterday where the yield is 7.4 per cent.

Lower construction profit pegs Tilbury advance

ALTHOUGH HIT by a reduced contribution from its construction side, higher profits from other U.K. activities enabled Tilbury Contracting Group to expand taxable surplus from £2.11m to £2.49m for 1978, with £944,000, against £881,000, coming in the first half. Full year turnover rose by £10.36m to £45.25m.

The directors say reduced margins on construction work reflected the continuing highly competitive conditions in that field.

Weather conditions in the opening months of 1979 have had an adverse effect on early group returns. However, in the construction division work in hand is well ahead of last year, and further progress is expected in the other divisions this year.

The 1978 result was boosted by dividends this time from the Nigerian associate amounting to £177,898, and UK associate contributions up from £21,069 to £38,571.

Economic conditions in Nigeria during the last year's second half were extremely difficult, the directors state, but good progress has been maintained on the associate's principal contract, the Ibadan ring road. The Nigerian outlook gives them grounds for cautious optimism.

After tax of £1.34m (£1.11m) stated earnings improved from 51.51p to 58.42p per £1 share. A final dividend of 16.37886p lifts the net total from 20.04079p to 22.37886p—the maximum permitted.

ST. PIRAN

No business can be transacted at the continuation of Saint Piran's EGM on April 11, according to Mr. Henry Hodding, the chairman.

In a letter to shareholders he says that all the business of the EGM was completed last Friday and so when the meeting is resumed he will formally close it.

The meeting was adjourned on the proposal of Mr. Max Lewinsohn, leader of the dissident shareholders. Mr. Lewinsohn and Coopers and Lybrand, the scrutineers appointed by him, were not satisfied that all the votes cast at the EGM were valid. The issue was the ejection of the current board and its replacement with directors headed by Mr. Lewinsohn.

Scottish Widows fund tops £1bn

TOTAL MANAGED funds of the Scottish Widows' Fund and Life Assurance Society, including its highly successful Pensions Management (SWF) subsidiary, passed the £1bn mark last year, reaching £1.09bn at the end of 1978. Funds have more than doubled over the past five years and it was only 20 years ago that they topped £100m.

Annual premium income reached £135m and investment income amounted to £100m. Overall the long-term funds grew by £156m during 1978. On the main life fund annual premium income amounted to £112m, investment income to £87m and total funds to £918m by the year end. Pensions Management (SWF) had a highly successful year in 1978 and has now passed the £200 mark—the third largest pensions managed fund issued by a life company.

Carron recovers to £1.23m

A RECOVERY in profit levels is reported by Carron Company (Holdings), metal, plastic, ceramic and general engineering products manufacturer.

In 1978, taxable profits surged 153 per cent from £483,610 to £1.23m—ahead of the 1976 surplus of £1.19m. At the last interim stage, profits were up from £280,000 to £426,000.

Mr. Colin Stroyan, chairman, says the full-year results reflect the increase in demand for the group's products. There has been no marked upturn in the number of housing starts, but home improvements have provided a stimulus to the market.

Turnover rose 47 per cent to £32.02m (£21.8m), and the chairman adds production at the group's works has been satisfactory.

Of the current year, he says that despite the industrial unrest and bad weather, first-quarter profits show a substantial increase over the previous period.

After tax for the year of £196,932 (£118,842), stated earnings per 25p share are up from 4.37p to 12.24p. The net total dividend is lifted from 3.584p to a maximum permitted 3.988p, with a 2.426p final.

De Vere up 44% and makes good start

TAXABLE PROFITS of De Vere Hotels and Restaurants rose more than 44 per cent from £1.52m to a record £2.21m in 1978, on higher turnover of £18.22m, against £16.09m.

At halfway, when profits were up from £0.77m to £1.05m, the directors said the favourable trend should continue for the remainder of the year.

They now state that the current year's trading has got off to a good start.

Tax for the year took £1.06m (£0.75m). The net total dividend is raised from 4.6529p per 25p share to a maximum permitted 5.1956p, with a 2.9882p final. Mr. Leopold Muller, chairman, has again waived his entitlement on 5.44m shares.

The directors valued the group's properties and contents at December 31, 1978, on the basis of their open market value for the purpose for which they were being used at that date, at £33.93m—the group revaluation surplus of £11.37m has been credited to capital reserves.

As previously, no depreciation is provided on freehold buildings and leaseholds which have unexpired terms of more than 24 years.

	1978 £	1977 £
Turnover	18,215,371	16,086,520
Trading surplus	4,010,820	3,138,158
Auditors' remun.	16,000	16,000
Directors' emol.	82,282	69,830
Depreciation and amortisation	65,072	53,137
Interest payable	78,148	133,910
Repairs and rnwls.	1,565,298	1,343,552
Profit before tax	2,205,022	1,522,929
Tax	1,061,482	745,114
Net profit	1,143,540	777,815
Extraord. credit	161,805	*41,174
Available	1,305,345	736,641
Dividends	319,727	268,705
Leaving	985,618	467,936
To capital reserve	11,805	†41,174
Brought forward	4,222,299	3,713,189
Retained	5,196,112	4,222,299

* Debit. † From capital reserve.

● comment

The quinquennial revaluation offers yet more reasons why De Vere is constantly regarded as a tempting takeover target. Taking in cash and near cash of around £3m, assets are now worth about 350p per share against yesterday's price of 232p, up 7p. The 44 per cent rise in pre-tax profits stemmed from the benefits of refurbishment, a 12½ per cent tariff increase and a 4-5 per cent improvement in occupancy rates which, since the group was comfortably over break even point, came straight through to profits. The renovation programme is probably over, bathrooms are now installed in almost every bedroom but a similar tariff rise is imminent and the nil geared balance sheet will support significant acquisitions on the South Coast and in the West Midlands where the group is already established. On a 23.1 p/e the share price already takes in a very high speculative element but in view of De Vere's assets, trading prospects and the daunting cost of new hotel construction, such enthusiasm may not be entirely misplaced. The yield is 3.4 per cent.

F. Lilley advances to £4.2m

A SECOND half increase to £2.46m against £1.74m lifted taxable profits of F. J. C. Lilley, civil engineering and public works contractors, from £3.11m to a record £4.22m for the year ended January 31, 1979.

At halfway the directors said that the present level of order book ensured a satisfactory performance in the second half.

They now report turnover up from £54.57m to £65.5m for the year but say the availability of work at home and abroad at acceptable prices is still limited and not least because of the uncertain economic and political climate in the UK and in the Middle East.

In this situation they feel the order book is satisfactory.

After tax for the year of £2.06m compared with £1.5m previously, earnings are shown as 12.96p (10.88p) per 25p share. The dividend is stepped up from 2.5p to 2.7917p net, the maximum allowed, with a final payment of 1.675p.

Pre-tax figure was struck after depreciation of £2.06m (£1.62m), and included interest received £287,000 (£6,000).

Lex Service aiming to expand into U.S. vehicle parts market

The first major U.S. move by Lex Service Group is likely to be into the multi-million-dollar American parts market for cars and trucks.

The group is looking for a private company with $60-80m turnover which could involve it in an outlay of between £7m and £8m.

Any major bid move in the U.S. would be financed by long-term dollar borrowings, said chairman Mr. Trevor Chinn.

He says in his annual report that the group is turning overseas in its search for growth.

He adds that the motor vehicle distributor and hotelier group is looking in particular at the U.S. where, through its hotels, it already has a major investment. A project management team, based in New York, is studying potential business areas related to the group's activities, such as industrial distribution.

The object is to generate a substantial part of profits from overseas.

Over the past year the group had achieved a "considerable improvement" in its balance sheet, says Mr. Chinn.

It extended the maturities of its medium and long-term debt, reducing payments in the earlier years, as a result 88 per cent (38 per cent) of total debt is now long-term with 78 per cent (28 per cent) not due for repayment within the next six years.

The group's annual report shows former director Mr. John Hirsch received £50,000 as compensation for loss of office.

The report also discloses a big salary increase for the chairman—from £42,305 to £54,472. Mr. Chinn said this was his first increase since 1972.

Net current assets are shown to have jumped from £13.76m to £31.24m following a fall in long and medium term debt liabilities from £8.06m to £0.5m, and an increase in stock and work in progress, from £36.02m to £45.81m Cash is up from £8.42m to £13.15m, and creditors from £36.79m to £42.05m.

£245,000 deficit at Barget

A pre-tax loss of £245,401 is announced by Barget, furniture manufacturer, for the year ended September 30, 1978, compared with £132,824 last time. Turnover was down from £5.48m to £5m.

The directors explain that in the home market, margins fell significantly due to intense competition, and cost pressures have also continued.

The factory re-equipment programme was put into effect and caused a larger than expected disruption to manufacturing in August and September of last year.

They anticipate a loss for the current year, but believe that with the continuing support of its bankers, the company will be well placed to return to profit in 1979-80.

As a result of a reorganisation and rationalisation of the model range and a reassessment of the stock holding levels, substantial reductions in the latter are being made and over 90 of the staff have been made redundant.

Two separate divisions have now been created, they add, a manufacturing division and a merchanting division. Detailed projections for the 13 months to March 31, 1980 show that there will be an operating surplus, for the six months to September 30, 1979, but that this will be more than offset by the running down costs associated with the reorganisation.

Improved underwriting trend for Provincial Insurance

A REDUCED underwriting loss and higher investment income in 1978 resulted in taxable profits of Provincial Insurance Company climbing over 10 per cent from £3.4m to £3.7m. But a nearly doubled tax charge of £2.1m with minorities and preference dividend, compared with £1.3m, sent group after tax profits plunging 25 per cent from £2.1m to £1.6m. Earnings per share fell from 24.91p to 18.81p.

A final gross dividend of 11.9192p makes a gross total for 1978 of 21.7268p, compared with 19.5899p.

General net premiums written rose by 15 per cent last year and the underwriting loss was cut from £1.24m to £1.07m. Motor insurance, which accounts for half the U.K. business made a large loss, because of bad weather in the first quarter and an above average number of claims in the final quarter.

The fire account produced a profit despite severe competition and a difficult first quarter. The accident account, which is considerably influenced by liability business, performed satisfactorily. But household insurance again made a loss, although it showed a significant improvement on 1977.

The overseas account returned a modest overall profit. There was an excellent result from East Africa, good performances from agencies and inwards reinsurance business, and a modest profit from Australia despite adverse market conditions. But these were offset by substantial losses in Canada, South Africa and Malaysia.

Total reserves at market value at the year-end were £45.2m, which provides a solvency margin of 61.8 per cent, compared with 60.5 per cent at the end of 1977.

The life company continued to expand satisfactorily, being a market leader for income and growth plans. Unit funds performed well and significant progress was made on unit-linked and with-profit contracts. New annual life premiums doubled from £522,000 to £1.2m and single premiums climbed by more than 30 per cent to £3.3m.

BURNDENE INVS.

Taxable profits of Burndene Investments rose from £105,448 to £130,249 for the six months ended November 30, 1978 and the directors forecast a full year figure of around £350,000, compared with £312,864 last time.

In Wednesday's report, the comparative half-year profit was incorrectly shown as £196,424 due to an agency error.

BANK RETURN

—	Wednesday April 4, 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	38,739,529	+ 9,147,452
Special Deposits	1,945,000	—
Bankers Deposits	516,437,126	+ 126,207,238
Reserves & other Accounts	702,618,400	+ 106,677,733
	1,274,293,055	+ 242,032,468
ASSETS		
Government Securities	862,820,486	+ 272,389,896
Advances & Other Accounts	233,283,611	— 19,742,332
Premises Equipment & Other Secs.	168,337,048	+ 115,526
Notes	9,643,586	— 10,752,183
Coin	208,324	+ 21,561
	1,274,293,065	+ 242,032,468
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	9,100,000,000	+ 75,000,000
In Circulation	9,090,356,414	+ 85,752,183
In Banking Department	9,643,586	— 10,752,183
ASSETS		
Government Debt	110,015,100	—
Other Government Securities	7,957,382,795	+ 167,464,912
Other Securities	1,131,602,105	— 92,464,912
	9,100,000,000	+ 75,000,000

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BIDS AND DEALS

Dalgety buying U.S. food group

BY TERRY OGG

DALGETY, the agricultural products merchant, intends to pay between £16.9m and £19.4m for Martin-Brower, a U.S.-based food distributor. The U.S. group sold fresh, refrigerated and frozen foods plus packaging equipment worth around £290m to McDonalds and seven other fast food chains in the year to June 30, 1978.

The acquisition, to be made by the wholly owned U.S. subsidiary, Dalgety Inc., is still *subject to satisfactory fulfilment* of certain accounting, legal and contractual matters as well as *approval from government* authorities in both the U.S. and Canada. But Dalgety is hoping *to complete the deal by the end* of April.

The price is equal to the net book value of Martin-Brower at April 30 which is estimated to be in the region of U.S.$35m to $40m (£16.9m to £19.4m) and will be financed from the U.S.$ 125m (£60.5m) loan facility which *Dalgety arranged last year. Some* $40m (£19.4m) has already been used to refinance other borrow*ings and $10m (£4.8m) is ear*marked for a small acquisition in the food processing industry.

The move is in line with Dalgety's policy of building up the level of U.S. activities. Its *first big thrust there was in the* food processing industry and it has become one of the largest *processors of frozen vegetables* in the country. The Martin-Brower acquisition, which has *been negotiated in just over two* months, represents an attempt to give Dalgety a major second leg *to its U.S. operations.*

Martin-Brower, a subsidiary of Clorox—a retail products and *food service* group best known for its bleaches—had sales in the year to June 30, 1978 of around $600m (£290m) and profits of $6.5m (£3.15m).

While it distributes food and packaging supplies to some 5,000 fast food outlets owned or franchised by eight chains, its major customer is McDonalds. In the year to June 30, sales to *McDonalds Corpn., its affiliates* and franchise owners was almost $500m (£242m); more than *80 per cent of total sales. Martin*-Brower has been supplying McDonalds for a number of years but there is no formal long term contract between the two groups.

In the Clorox balance sheet for the 1977-78 year, Mr. Robert B. Shetterly, the president, said that while both sales and profits of Martin-Brower were well ahead of the previous year margins were very narrow.

Announcing the sale of the subsidiary in the U.S., he said that Clorox was essentially interested in the developing, planning and marketing of products rather than the distribution of goods. The cash raised as a result of the move would be used in furthering these objectives.

McDonalds, along with most of the fast food chains continued to record profit and turnover increases in 1978 although the rate was well short of the extraordinary figures reported in the late 1960s and early 1970s. Dalgety's own projections suggest that the rate of profit growth experienced by Martin-Brower will slow over the next year or two but it will still be around the 20 per cent to 25 per cent mark pre-tax.

British Vita paying £1¼m for Belgian fibre group

British Vita, a UK manufacturer of polymeric products, *has signed* provisional agreement for the acquisition of Libeltex of Belgium, one of *the largest* makers of bonded fibre waddings in Europe. The purchase price *is expected to be around £1.25m*, but will finally depend on the Belgian group's net tangible assets at June 30, *1979*.

British Vita sees the acquisition as an important step in the development of a strong European identity and as an opportunity to reinforce the group's base in fibre technology. Vita's existing fibre processing operation, Vitaluxan, together with *Libeltex will form the basis for* broadening the range of Vita's overseas operations.

Libeltex has an annual turnover of some £6.5m over 75 per cent of which is exported principally to France, the Netherlands and Germany.

During 1977 Libeltex installed a new production line capable of processing most of its output of conventional fibre waddings. Heavy depreciation and finance charges coupled with running in costs resulted in a loss of £100,000 for 1978. However, during the second half of the year there was an encouraging return to profitability which Libeltex believes will continue.

At December 31, 1978 the value of net assets represented by the capital being acquired amounted to some £1m.

The acquisition, which includes *Libeltex's offshoots Limatex* and Metrans, is scheduled for completion on July 2.

RMC DISPOSAL

Ready Mixed Concrete has sold its 7.1 per cent stake in Staveley Industries. The 1.01m shares, which RMC has held for five or six years, were placed in the market on March 29.

WALTER LAWRENCE

For £850,000 cash, Walter Lawrence, the construction and engineering group, has agreed to sell Walter Lawrence Engineering, its special-purpose machine tool subsidiary. Included are the freehold premises which Walter Lawrence Engineering occupies. The purchaser is Roadless Traction of Hounslow, a privately-owned company which is a manufacture of tractors and specialist tractor equipment.

HARDY SALE

Phillips Furnishing Stores, a *subsidiary of Hardy and Co.* (Furnishers), has sold its leasehold interest in premises at *Broadmead, Bristol for £350,000* cash.

This interest was in the accounts at £22,000 and was last professionally valued at £145,000 in April 1977.

MINING NEWS

Cerro Colorado nearly ready

BY PAUL CHEESERIGHT

THE FINAL details of financing and construction plans for the huge Cerro Colorado copper deposit are being put together by the Panamanian Government, mining officials in Panama City said yesterday.

The Government has an 80 *per cent stake in* the project, 160 miles from Panama City, and will provide $400m *(£193.5m)* to meet development costs which could rise towards $2bn. The minority partner is Texasgulf, the U.S. minerals group.

Industry executives noted that Cerro Colorado is the first of a new generation of major deposits *to be financed and* that innovative arrangements are necessary. However, it is clear that *sufficient capital is* available and that the copper price has reached a level where the mine would be *viable.*

The greater part of the financing will come from the Export *Development Corporation of* Canada, which has agreed in principle a loan of more than $1bn.

Investment is also likely from potential customers. British Kynoch Metals, the metal procurement joint venture owned by BICC, IMI and Delta Metal, is aiming to complete its *negotiations* before the autumn. Other consumers from continental Europe, Japan and the U.S. are *also likely to* be involved.

Cerro Colorado, whose estimated ore reserves are said to be more than 4bn tonnes, is in the western Panamanian province of Chiriqui. Studies have suggested that an opencast operation could last for 55 years at the rate of 187,000 tonnes a year. Thereafter mining would move underground.

The deposit was found in the late 1960s. The Panama Government made clear in 1975 that it would *control* development. Texasgulf first became involved in 1976 and will manage the mine, which could come on stream by 1985.

DM Minerals may go to International court

DM MINERALS, a partnership, of Dillingham Australia (a sub*sidiary of Dillingham Corpora*tion of the U.S.) and Australia's Murphyores will not accept the *Australian Government's* compensation offer of A$4m (£2.16m) for the Government's *controversial shut-down* of the partnership's Fraser Island mineral sands operation in 1976.

The closure was forced by the Government's revocation of the partnership's export licences. It *took this action in order to pre*serve Fraser Island as a wilderness area. In 1977 the partners *presented the Government with* a compensation claim of A$23m but they were subsequently *offered an ex-gratia payment of* A$4m.

Since then a bitter controversy has raged. Dillingham now says that: "The Govenment's action was a taking of private property for a public purpose. Australian law does not appear to provide a remedy, but we believe just compensation is required under international law.

"Accordingly, the partnership believes the issue should be settled in an international judicial forum. The U.S. Department of State has informed Dillingham Corporation that the U.S. Government is prepared to espouse our claim for compensation after a demonstration that all Australian remedies have been exhausted.

"The partnership remains *hopeful that its compensation* claim can be settled by mutual agreement through negotiations *or arbitration. However, in order* to fulfil the pre-requisite for international adjudication, the *partnership is considering what* further steps should be taken in Australia, including an action *before the High Court of* Australia."

NICKEL VENTURE ARRANGES LOAN

International Finance Corporation, an affiliate of the World Bank, will put up $62.94m (£30.44m) of the $98.4m required to bring a Brazilian nickel mining and smelting operation on stream by 1981. An announcement yesterday said $59m would be advanced in the form of loans and the balance would be equity investment.

The funds will go to Empresa de Desenvolvimento de Recursos Minerais, which will construct a smelter with an annual capacity of 5,000 tonnes of ferro-nickel.

The other investors are Empresas Sudamericanas Consolidas with $21.67m and Anglo American Corporation do Brasil, controlled by Anglo American of South Africa, with $13.79m.

Common rejects B & C bid as being inadequate

The Board of Common Brothers, the ship owning, services and insurance broking *group, has considered the £8m* cash bid from British and Commonwealth Shipping Company and decided that it does not "adequately" reflect the value of the company.

The group said yesterday that it was consulting its advisers. When the formal offer has been received from B & C, Common intends to contact shareholders again with more detailed *objections.*

On the stock market yesterday Common *shares rose* 3p to 215p, valuing the group at £6.47m.

B & C announced its 200p per share offer earlier this week after it had acquired 530,000 *shares, nearly 18 per cent of the* Common equity from Gosforth Industrial Holdings (the old Swan Hunter group).

Because Menteith Investment Trust, a subsidiary of *B & C*, already held 488,000 shares of Common, B & C's stake was increased to 33.8 per cent and it was obliged to make a bid.

LCP DEALS

Evans Halshaw Holdings, part of LCP Holdings, has sold the property and fixed assets of the Chorley dealership for £540,000, plus *stock* at valuation to be agreed.

This *follows* the acquisition of the Portland Motor Group, and is to comply with Ford Motor Company *franchise policy* which limits group main dealerships to five.

LCP has agreed to acquire 70 per cent of the equity of Ets Louis Bolivia Chevilles Bol SA, drill manufacturer, for FFr 8.5m (£950,000) cash. The deal is subject to French Treasury approval. Medium-term finance facilities have been arranged with Societe Generale.

EMRAY ISSUE

Emray, the motor vehicle distributor, is to issue 1,875,000 *new ordinary shares as a further* consideration for its purchase of Reid and Lee, which was made *in June, 1978.*

The group said that profits of Reid and Lee had exceeded £90,000 for 1978, so this issue of shares would be made.

BEST & MAY

At April 4 the Crown House group owned or had received acceptances in respect of 2,132,536 ordinary shares in Best and May (94.77 per cent of the capital).

The offer will remain open pending compulsory acquisition.

NO PROBE

The acquisition by the British Steel Corporation of Dunlop and Ranken is not being referred to *the Monopolies and Mergers Commission.*

JOHNSON RICHARDS

As Norcros now holds 82 per cent of the ordinary capital of H. and R. Johnson Richards Tiles shareholders are strongly advised to accept. The directors will be doing so in respect of *their own holdings.*

APPOINTMENTS

Group Taxation

This is a key appointment at the London Headquarters of a major British group with manufacturing interests in the UK and overseas.

• RESPONSIBLE to the Finance Director, the role is to provide specialist advice at top level on all tax matters. Proven expertise in an international group is essential. A Chartered Accountant is preferred.

• REMUNERATION is for discussion to attract those already earning over £12,000.

Write in complete confidence
to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Business Development

EUROPE

• THIS is a new appointment, to be located in London or Paris, with a rapidly expanding American Group marketing leading consumer goods and services world-wide.

• RESPONSIBILITY is to define new areas of profitable development and to identify realistic acquisition and merger opportunities throughout Europe capable of providing the base for diversified growth.

• FLAIR and experience in combining financial analysis with an appreciation of business and market opportunities is essential. The preferred background will include exposure to the practical business world. However, a background in consultancy, investment banking or stockbroking research could be equally relevant. An ability to understand written French and German and possibly Italian is required. Fluency in these languages would be an added advantage.

• LIKELY AGE early 30s. The package is for negotiation and will meet what ability and experience can justify. It is unlikely that this could be of interest to anyone earning less than £13,000 in the UK or holding a comparable post on the Continent.

Write in complete confidence
to P. A. R. Lindsay as adviser to the Group.
Early application would be appreciated.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Insurance Management

This is a new appointment in a medium-sized insurance company. The intention is to provide for succession at top level.

• RESPONSIBILITY is for the technical side of the business through departmental managers at the Head Office in the West, an Underwriting room in London and a branch network.

• AN INSURANCE PROFESSIONAL is required with experience at corporate level, coupled with evidence of ability in management and administration.

AGE 35-45. Initial salary in five figures with especially good prospects.

Write in complete confidence
to G. W. Elms as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Managing Director

for a new management consultancy backed by well-known chartered accountants and a leading firm of consulting engineers. Both shareholders have well established consultancy practices in the UK and overseas. These are now to be integrated and the new venture is strongly placed for rapid growth.

• RESPONSIBILITY is to the Chairman for developing the business profitably. The role is to direct a broad range of consultancy services spanning financial and management accounting, information systems, organisation, and personnel.

• SUCCESS in the profitable management and development of consultancy operations in an international context is the prime requirement. Career progression should have stemmed from a professional qualification and background.

• TERMS are for discussion. With generous profit participation, the earnings opportunity could be in excess of £25,000.

Write in complete confidence
to K. R. C. Slater as adviser to the consultancy.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Head of Finance

CONSUMERS ASSOCIATION

• THE ASSOCIATION exists to further the interests of the consumer in the marketplace. Its diverse activities include the publishing of the five Which? magazines and a wide range of books. Turnover exceeds £8m. Research and information services form an important part of the work.

• THE HEAD OF FINANCE is responsible for monthly and annual accounts and forecasts and is also expected to make a major contribution to corporate planning.

• EXPERIENCE at senior level in commerce, a professional accounting qualification and the temperament to suit a lively, demanding environment are the criteria.

• SALARY in excess of £10,000. Car provided.

Write in complete confidence
to G. W. Elms as adviser to the Association.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

LEGAL ASSISTANT

TRINIDAD AND TOBAGO
OIL COMPANY LIMITED

TRINTOC — Trinidad and Tobago Oil Company Limited, a fully integrated oil company, owned by the Government of Trinidad and Tobago, invites applications for the position of Legal Assistant in its Legal, Lands and Public Relations Division.

QUALIFICATIONS AND EXPERIENCE

Barrister at Law or Solicitor of at least three years' post-graduation experience.

Practice and experience (court or industry) in commercial law, including contracts, insurance, patents and taxation; land and company law will be an advantage.

The job is located in Point Fortin, Trinidad, and the company offers an attractive remuneration package consisting of a negotiated salary and competitive fringe benefits.

Applications can be forwarded to the Head, Recruitment and Career Planning, Trinidad and Tobago Oil Company Limited, Point Fortin, Trinidad, West Indies.

Closing date for applications is April 30th, 1979.

UNIVERSITY OF WARWICK

Lectureship in Accounting and/or Finance

Applications are invited for this post in the School of Industrial and Business Studies, from persons holding a good degree in accounting, business finance, financial economics or similar discipline. Candidates also offering appropriate professional qualification and/or related practical experience in industry, commerce or the public sector will be particularly welcome, but less experienced graduates wishing to take up or develop a career in management education are also invited to apply. Salary on the Lecturer scale: £3,883-£7,754 p.a. (under review). The School is concerned to promote undergraduate, postgraduate and post-experience teaching in many aspects of accounting and business finance, and therefore no particular area of teaching is specified. A firm commitment to research in an appropriate area will be expected from the successful candidate. Application forms and further particulars from the Academic Registrar, University of Warwick, Coventry CV4 7AL quoting Ref. No. 32/A/79. Closing date for receipt of applications is May 4th 1979. Informal preliminary inquiries may be made to Professor R. A. Fawthrop, School of Industrial and Business Studies.

Arts Council
OF GREAT BRITAIN

Deputy Secretary-General

Applications are invited for this post which will become vacant in late May 1979.

Candidates should have a good general knowledge of and interest in the arts together with first-class administrative experience.

Salary range (under review) £10,567-£12,795. Starting salary negotiable.

Further details from Dr. Roy Shaw, Secretary-General, Arts Council of Great Britain, 105, Piccadilly, London W1V 0AU, to whom applications, with the names of three referees, should be sent by 27th April, 1979.

STOCKBROKING IN IPSWICH

ANDERSON & CO.

seek an Attache/Member with substantial established business to join their Ipswich office. Direct line to the London office and the Market Price Display Service are installed.

Enquiries should be made to:
Mr. Quilter or Mr. Bassett at Anderson & Co.,
158 Fenchurch Street, London, E.C.3.
Telephone 01-623 9231.

SUCCESSFUL AND EXPERIENCED SALES REPRESENTATIVE

Surrey/Sussex/Kent. weighing and food trade equipment. Good salary plus commission. Company car and usual expenses. Apply to Mr. A. H. Wilson, Sales Manager, R. C. Argold Engineering Ltd., Holmethorpe Industrial Estate, Frenches Road, Redhill, Surrey.
Tel: Redhill 64301/2/3

APPOINTMENTS WANTED

FORMER public company managing director aged 46, chartered secretary, seeks senior executive position, home or overseas. Min. sal. £12,000. Write Box A.6733, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

THE COMPANIES ACTS 1948 to 1976

EXQUISITE HOUSEHOLD SELECTIONS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at 3/4 Bentinck Street,
London W1A 3BA,
on Thursday, the 12th day of April, 1979, at 3.00 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.
Dated this 29th day of March, 1979.
By Order of the Board.
N. S. ROGERS, Director.

THE COMPANIES ACTS 1948 to 1976

NINEDALE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situate at 3/4 Bentinck Street,
London W1A 3BA,
on Thursday, the 12th day of April, 1979, at 12 o'clock midday, for the purposes mentioned in section 294 and 295 of the said Act.
Dated this 27th day of March, 1979.
By Order of the Board,
A. SAUNDERS, Director.

COMPANY NOTICES

CANON INC.

Advice has been received from Tokyo that the Board of Directors has declared a payment of DIVIDEND of Yen 3.75 per share for the six months period ended 31st December, 1978.

Holders of EUROPEAN DEPOSITARY RECEIPTS TO BEARER (SHARE EDR's) wishing to claim this dividend in respect of the shares represented by their share EDR's should present Coupon No. 32 at the office of HILL SAMUEL & CO. LIMITED, 45, BEECH STREET, LONDON EC2P 2LX, where listing forms are available, or BANQUE INTERNATIONALE A LUXEMBOURG, 2, BOULEVARD ROYAL, LUXEMBOURG.

Payment will be made in Sterling at the rate of exchange ruling on the day of presentation, except in the case of non-residents of the Scheduled Territories who, to obtain payment in Yen must follow the procedure laid down in the listing form.

Holders of BEARER DEPOSITARY RECEIPTS (SHARE BDR's) wishing to claim this dividend in respect of the shares represented by their share BDR's should present Coupon No. 9 at the office of HILL SAMUEL & CO. LIMITED, 45, BEECH STREET, LONDON EC2P 2LX, where listing forms are available or:—
Algemene Bank Nederland N.V.,
32 Vijzelstraat,
Amsterdam.
First National City Bank,
111 Wall Street,
New York,
N.Y. 10015.
Societe Generale,
29 Boulevard Haussmann,
75 Paris 9.
The Fuji Bank Limited,
Immermannstrasse 3,
4 Dusseldorf.
Kredietbank S.A., Luxembourgeoise,
43, Boulevard Royal,
Luxembourg.

Payment will be made in U.S. Dollars at the rate of exchange ruling on the day of presentation.

Coupons must be presented by an Authorised Depositary and must be left four clear days for examination.

Japanese Withholding Tax at the rate of 20% will be deducted from the proceeds of the dividend, except in the case of holders resident in the following countries:—
Arab Republic of Egypt
Australia
Belgium
Canada
Denmark
Finland
France
Ireland
Italy
Korea
Malaysia
The Netherlands
New Zealand
Norway
Singapore
Spain
Sweden
Switzerland
United Kingdom
United States of America
West Germany

To obtain payment under deduction of Withholding Tax at the reduced rate of 15%, residents of the above countries must furnish a declaration of residence as required by the Japanese Ministry of Finance. The declaration must be given by an Authorised Depositary, and in respect of holders resident in the United Kingdom is incorporated in the listing form.

For residents of all other countries a separate declaration must be furnished, giving the name and address of the beneficial owner, the number and distinctive numbers of EDRs/BDRs held and attesting that he is entitled to the 15% Tax Relief pursuant to the Tax Convention between Japan and the country concerned.

Share EDR/BDR holders resident in the Republic of Korea will receive payment under deduction of Withholding Tax at the reduced rate of 12% and residents of Zambia without any deduction subject to the provision of a declaration as set out above.

Attention is drawn to the fact that the above mentioned concessions relating to Japanese Withholding Tax apply only to coupons presented for payment within 8 months of the record date. Thereafter tax will be deducted at the full rate of 20% and it will be the responsibility of the owner to claim from the Japanese Tax Authorities any refund to which he is entitled.

United Kingdom Income Tax at the appropriate rate will be deducted from the proceeds unless the Coupons are accompanied by a United Kingdom Affidavit of Non-residence.

Full information may be obtained from Hill Samuel & Co. Limited.
HILL SAMUEL & CO. LIMITED,
45, Beech Street,
London EC2P 2LX.

SOFINA
Societe anonyme
Registered Office: 38 rue de Naples,
Ixelles-Brussels
Commercial Register of Brussels
No. 270194

NOTICE OF ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company on Thursday, 26th April, 1979, at 2.30 p.m. for the following purposes:—

AGENDA

1. Reports of the Board of Directors and of the Auditors on the Company's activities during the financial year 1978.
2. Balance Sheet and Profit and Loss Account for the financial year 1978 and Appropriation of Profits.
3. Discharge to be given to the Directors and Auditors.
4. Statutory appointments.
5. Number of Directors and Auditors and Fees.

Shareholders wishing to attend or to be represented at the meeting must comply with Article 30 of the Company's By-Laws.

Bearer Shares must be deposited up to and including the 20th April, 1979, during business hours at the Banks appointed to receive such shares at the Registered Office of the Company (Entrance 25, rue de Champs de Mars) and in London at the
Banque Belge Ltd.,
16, St. Helen's Place,
London EC3A 6BT.
Midland Bank Ltd.,
International Division,
60, Gracechurch Street,
London EC3P 3BN.
By Order of the Board.

JARDINE, MATHESON & CO. LIMITED
NOTICE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed for the purpose of final dividend recommended in respect of the year ended 31st December 1978 from 23rd April to 7th May 1979 both days inclusive.

The final scrip dividend with a cash alternative of HK$0.51 per stock unit will be paid on 18th June 1979 to stockholders on the register of members on 7th May 1979.

In order to qualify for the dividend all transfers accompanied by the relevant stock certificates must be lodged with the Company's Registrars, Central Registration Hong Kong Limited, Gammon House, 1st Floor, Harcourt Road, Hong Kong, not later than 4.00 p.m. on 20th April, 1979.
By Order of the Board,
K. W. YOUNG, Company Secretary
Hong Kong.
4th April, 1979.

BOND DRAWINGS

CORRECTED NOTICES
WESTERN MINING CORPORATION LIMITED
9¾% NOTES DUE 1982

NOTICE IS HEREBY GIVEN that in carrying out the operation of the sinking fund of 1st May 1979 in respect of the above Loan Notes for U.S.$500,000 have been purchased and pursuant to Condition 4(a) of the Notes, the Notes appearing on the annexed list amounting to U.S.$250,000 were this day drawn by RICHARD GRAHAM ROSSER of Messrs. De Pinna, Scorers & John Venn, Notary Public, for repayment at par on the 1st May 1979, from which date all interest thereon will cease

21/25	340/44	606/610
939/43	1237/41	1501/05
1621/25	2146/50	2431/35
2716/20	3035/39	3321/25
3644/48	3931/35	4206/10
4527/29	4841/45	5116/20
5437/41	5706/10	6021/25
6341/45	6616/20	6931/35
7241/45	7501/05	8116/20
8645/49	8719/23	9037/41
9201/5	9615/20	9941/5
10221/25	10546/50	10806/10
11121/25	11431/35	11701/05
12021/25	12341/45	12606/10
12936/40	13206/10	13521/25
13701/05	14136/40	14416/20
14746/50	14921/25	

250 Notes at U.S.$1,000 = U.S.$250,000

The abovementioned Notes with Coupons due 1st May, 1980 attached may be lodged for repayment on or after the 1st May, 1979 (or the following day if the 1st May is a public holiday) at the offices of J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London, EC2V 6DS; J. Henry Schroder Bank & Trust Company, One State Street, New York, N.Y. 10015, U.S.A.; Societe Generale de Banque S.A., 20 Rue Royale 1000 Brussels, Belgium; Banque Generale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg; Swiss Bank Corporation, 6 Paradeplatz, CH-8022 Zurich, Switzerland.

N.B.—Bonds still to be lodged for repayment from previous drawings:—

Drawn 1st May, 1977: Nos. 3171, 3172 and 5472.

Drawn 1st May, 1978: Nos. 113/114, 3112/3113, 3715, 4811/4814, 5117, 8517/8514, 8712/8714, 8812/8814, 8912/8914, 9012/9014, 9112/9114, 9212/9215, 9311/9315.

London
23rd March, 1979.

LEGAL NOTICES

The HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of:
No. 00905 of 1979
CHARLODGE LIMITED
No. 00906 of 1979
DERINGER INVESTMENTS (LONDON) LIMITED
No. 00899 of 1979
LONNYCAL INVESTMENTS LIMITED
No. 00902 of 1979
SOLETTE LIMITED
and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that petitions for the winding up of the above-named Companies by the High Court of Justice were on the 26th day of March 1979, presented to the said Court by THE COMMISSIONERS OF INLAND REVENUE, of Somerset House, Strand, London WC2R 1LB, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, on the 14th day of May 1979, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished to any creditor or contributory of any of the said Companies requiring the same by the undersigned on payment of the regulated charge for the same.
ERIC MOSES,
Solicitor of Inland Revenue,
Somerset House, Strand,
London WC2R 1LB.

NOTE.—Any person who intends to appear on the hearing of any of the said Petitions must serve on or send by post to the above-named notice in writing of his intentions so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of May 1979.

THE COMPANIES ACT 1948 to 1976

DONALD DAVID PRESS CONTRACTS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at 3/4 Bentinck Street,
London W1A 3BA,
on Tuesday, the 10th day of April, 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.
Dated this 29th day of March, 1979.
By Order of the Board,
D. D. PRESS, Director.

THE COMPANIES ACTS 1948 to 1976

PRESS CONTRACT FURNISHERS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at 3/4 Bentinck Street,
London W1A 3BA,
on Tuesday, the 10th day of April 1979, at 2.30 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.
Dated this 29th day of March 1979.
By Order of the Board,
D. D. PRESS, Director.

NORTH AMERICAN NEWS

Steel companies now feel brunt of Teamsters strike

BY JOHN WYLES IN NEW YORK

THE SHARPENING impact of the shutdown of a large proportion of the U.S. trucking industry has forced Chrysler Corporation to close indefinitely all of its vehicle assembly plants and to plan other closures which will eventually make 85,000 workers idle.

Deliveries of parts to most U.S. assembly plants are steadily drying up with the result that a total of 32 factories employing 125,000 workers are now closed or on short time. Meanwhile, some steel companies are beginning to report difficulties and U.S. Steel Corporation has warned of a "severe" impact on shipments if the stoppage persists for much longer.

The Carter Administration is monitoring the effects of the strike closely and is still hoping *for an early settlement* of the dispute between the nation's largest trucking companies and the Teamsters Union which represents their 300,000 drivers and warehousemen. Some of the impact of the stoppage, which follows an employers' lock-out last Sunday in retaliation for selective strikes, is being softened by the Inter-state Commerce Commission encouraging companies which are still working to apply for licences to operate new routes.

One of the principal fears of the Administration is that the distribution of dry grocery goods will soon be strangled. There are some reports, so far unconfirmed, that the Government expects the "national health and welfare" to be sufficiently threatened in about ten days to raise the serious prospect that the Administration will seek a Taft Hartley *injunction ordering the drivers* back to work for an 80-day cooling-off period.

But there is little certainty that the Teamsters' rank and file would observe such an order. In the meantime there are worries that carriage of goods by non-union drivers may soon spark some violent incidents.

Meanwhile, air transport continues to be disrupted by the shutdown of United Air Lines, the largest U.S. commercial carrier. The airline's 18,600 mechanics and ground staff went on strike last Saturday in support of pay and benefits demands and a fresh round of negotiations on the dispute collapsed last night.

The Government's voluntary pay curbs appear to be complicating settlement efforts because the union is demanding a somewhat more generous settlement than one made at Trans World Airlines last autumn.

Bay looks at rival offers

By Robert Gibbens in Montreal

THE HUDSON'S Bay Company *says its directors met on Wednesday* and gave "preliminary consideration" to the offers for control by the Thomson family interests and the George Weston food processing and distribution group.

The Bay told shareholders that the directors will communicate with them "as soon as possible and in the meantime shareholders should retain all their options by not depositing their shares under either offer."

Two companies based in Toronto and owned by the Thomson family have offered C$35 cash per A share for up to 60 per cent of the total 23m shares now outstanding.

The offer now expires on April 12 instead of April 9.

George Weston has offered C$40 cash for 51 per cent of the Bay shares, or the same value in 8½ per cent preferred stock or a combination of both cash and preferred.

The expiry date for this offer has not been announced.

Boise Cascade expansion

BY TERRY BYLAND

INVESTMENT IN the office products division of Boise Cascade *is to be doubled over the next* five years, said the chairman and chief executive, Mr. John B. Fery in London yesterday. At present, Boise Cascade, whose major interests are in wodo products and *building materials,* has a mere 3 per cent share in the U.S. market for office products. But Mr. Fery sees prospects for "unlimited growth" in this sector.

Development in the office products division will be a significant part of the planned $2.3bn capital investment planned over the next five years.

The wood products industry is seen by the Board as a business *area of relatively* low growth prospects — in the paper and paper board industry Boise expects growth of around 2-3 per cent annually between 1979 and 1983.

Supply and demand in the paper industry would be fundamentally in balance over the period, said Mr. Fery.

He commented that Boise regards its oil and gas interests as no more than the icing on the cake of what is basically a wood products business.

Strong advance at Interco

NEW YORK — Interco Incorporated, the shoe retailing group, enjoyed a strong fourth quarter with earnings increasing by 16.9 per cent, from $23.6m or $1.65 a share to $27.6m, equal to $1.90 a share. Operating margins showed a sound improvement, sales rising by only 11.4 per cent, from $404.6m to $450.6m.

Net earnings for the full year ended February 28 amounted to $92.6m, equal to $6.37 a share — a rise of over 13 per cent on the previous year's $81.8m or $5.70 a share. Sales for the year advanced by 10.7 per cent, from $1.67bn to $1.85bn.

Agencies

Allied Artists files for protection

By David Lascelles in New York

ALLIED ARTISTS, the film-maker whose productions include Cabaret and Papillon, has filed for protection from its creditors under the U.S. bank*ruptcy laws, blaming* losses on its picture-making activities.

The filing was made under Chapter 11 of the Bankruptcy Act, which is designed to allow companies to reorganise their finances free from the pressure of creditors. Allied says that it hopes to remain in business once the reorganisation is carried out.

Allied is a diversified concern, with interests in video-taped films, motor homes, houseware and pharmaceuticals, in addition to film-making. The motor home and houseware operations are not covered by the bankruptcy petition.

The company said that its losses were primarily due to lack of capital to enable it to make or buy enough films to supply its distribution network. In addition, there were financing problems with its latest major production, The Betsy, starring Sir Laurence Olivier.

Canadian bank debenture issue

By Jim Rusk in Toronto

ROYAL BANK OF CANADA plans a C$80m two-part debenture issue on international capital markets in mid-April. It will be brought out by an international underwriting group headed by Orion Bank and Royal Bank of Canada Trust Corporation.

The planned offering will consist of C$40m in seven-year debentures and C$40m in 15-year debentures. Coupon and issue price for each maturity will be fixed in accordance with market conditions at the time of the offering. At present, a coupon of 10 per cent is expected for both maturities. The bank will use the proceeds for general corporate purposes.

Trizec ahead in first quarter

By Our Montreal Correspondent

TRIZEC CORPORATION, the second largest quoted Canadian real estate development corporation earned C$2.7m, equal to 17 cents a share, in the first quarter ended January 31, against C$2.1m, or 16 cents, on fewer shares a year earlier.

Revenues were C$55m against C$48m. The company said the improvement came mainly from a better performance of the *income portfolio and from* new properties which came on stream in the last half of 1978.

Voting control of the company is held by the Peter and Edward Bronfman interests of Toronto. However, the majority of shares is held by English Property Corporation, control of which has been won by the Reichmann family interests also of Toronto. Recently the Bronfmans and the Reichmanns agreed to share management of Trizec.

New Allied Chemical chief

By Our New York Staff

ALLIED CHEMICAL, the giant chemical concern, has caused something of a stir in the executive jobs market by bypassing its own senior executives and appointing an outsider as its next chairman, president and chief executive officer.

He is Mr. Edward Hennessy, 51, the chief financial officer of United Technologies, the giant manufacturing company where he had been expected to take over as president.

Mr. Hennessy will succeed Mr. John Connor, who became president of Allied Chemical in 1965 and chairman in 1968. Mr. Connor is due to retire, aged 65, at the end of this year.

The appointment reportedly ends nearly a year's search for a man to run Allied Chemical, which is going through a difficult period owing to weak prices in its major markets and a squeeze on its energy operations.

Jack Eckerd in $153m link

CLEARWATER—Jack Eckerd Corporation has agreed in principle to merge Brooks Fashion *Stores Incorporated* into Eckerd in a share-for-share exchange of stock worth some $153m.

Under terms of the proposed merger, Jack Eckerd said each of Brook's 5.7m common shares would be converted into one of its common shares. Jack Eckerd's stock is currently trading at about $27 a share.

Jack Eckerd currently has about 23.5m shares outstanding.

Weyerhaeuser qualified

Weyerhaeuser's independent auditors, Arthur Andersen, have, as expected, qualified the company's 1978 results because of the company's uncertain liability, stemming from a jury verdict last year against it and two other forest products concerns in class-action civil antitrust price-fixing suits, AP-DJ reports from Tacoma.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	94½	95	+0⅛	+0⅛	9.72
CECA 9⅜ 84-99	50	95	96½	0	+0⅛	9.79
Canada 9 83	400	98½	98⅝	+0⅛	+0⅛	9.67
Canada 9¼ 98	350	97	97½	+0⅛	−0⅛	9.79
Dow Chem. O/S 9¾ 94	200	97½	97⅞	0	0	9.89
EIB 9¼ 98	125	94½	95⅛	+0⅛	+0⅛	9.85
EIB 9⅝ 98	150	99⅞	100⅛	+0⅛	+0⅛	9.83
EIB 9⅞ 99	100	100⅞	100⅜	+0⅛	+0⅛	10.06
Export Dv. Cpn. 9.85 84	150	100½	101	−0⅛	−0⅛	9.88
Export Dv. Cpn. 9⅜ 84	100	97½	98	−0⅛	−0⅛	9.84
Eksportfinans 9 86	50	96⅜	96⅞	+0⅛	+0⅛	9.64
Finland 9 88	100	95⅜	95⅞	0	0	9.85
Finland 9½ 88	100	97¾	98¼	0	+0⅛	9.91
GTE Fin. 9½ 84	50	98½	99⅛	0	0	9.92
Gould Int. Fin. 9¾ 86	50	99⅝	100⅛	0	+0⅛	9.77
Hospital O/S 9 83	25	97⅜	97⅞	0	0	9.65
Hudson Bay Co. 10 94	50	100⅞	101⅜	+0⅛	+0⅛	9.85
Itel Finance 9¾ 90	30	94½	95	0	−0⅛	10.54
J. C. Penney 8½ 83	100	96⅛	96⅝	0	0	9.54
Manitoba 9½ 89	75	97⅛	97½	+0⅛	+0⅛	9.88
New Brunswick 9¾ 94	75	98	98½	0	+0⅛	9.98
Newfoundland 10 94	50	99⅛	99⅝	−0⅛	+0⅛	10.15
Norsk Hydro 9⅜ 94	50	95⅜	95⅞	0	+0⅛	9.81
Norway 9¾ 84	150	100½	101	+0⅛	0	9.77
Portland 10 84	50	97⅜	97⅞	0	0	10.67
Quebec Hydro 9½ 93	50	96⅞	97⅜	+0⅛	+0⅛	9.87
Redland Fin. XW 9½ 91	25	92⅞	93⅜	0	+0⅛	10.56
Sears Roebuck 9 82	150	98½	99	+0⅛	+0⅛	9.50
Stockholm 9¾ 94	50	100⅝	100⅞	+0⅛	+0⅛	9.94
UK 8⅞ 93	150	95½	95¾	+0⅛	+0⅛	9.63

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	93⅝	94⅛	−0⅛	−1⅛	6.52
Argentina 6½ 88	150	93⅞	94⅜	+0⅛	+0⅛	7.39
Australia 6 88	250	98	98½	−0⅛	−1	6.25
Austria 5¾ 90	150	92	92½	−0⅛	−0⅛	6.73
Banco Desarrollo 7¼ 86	100	97⅞	98⅜	−0⅛	−0⅛	7.60
Bankamerica 5¾ 90	150	94⅜	94⅞	0	−1⅛	6.43
Bq. Ext. Algerie 7¼ 85	100	96⅞	97⅜	−0⅛	−0⅛	7.81
Brazil 7¼ 87	150	99⅝	100⅛	0	−0⅛	7.28
CECA 6 88	150	95⅛	95⅞	−0⅛	−0⅛	6.62
Ch. Manhttn. O/S 6 93	100	97⅞	98⅜	0	−0⅛	6.20
Commerzbank XW 3½	100	81	82	−0⅛	0	6.19
Copenhagen City 6 90	75	92½	93	−0⅛	0	6.92
Council of Europe 6⅞	130	95⅝	96⅛	+0⅛	−0⅛	6.83
Denmark 5¾ 85	100	96⅝	97⅛	−0⅛	0	6.39
Denmark 6½ 89	100	96½	97	−0⅛	−0⅛	6.96
EIB 6 90	300	92⅞	93⅜	−0⅛	0	6.91
EIB 6½ 91	200	95⅝	96⅛	−0⅛	−0⅛	6.94
Eletrobras-Brazil 7 87	100	96½	97	0	−0⅛	7.56
Eurofima 6½ 89	100	100⅞	101⅜	+0⅛	−0⅛	6.34
Finland 6 83	150	99⅜	99⅞	−0⅛	0	6.15
Hitachi Ship. 5¾ 83	50	97⅞	98⅜	0	−0⅛	6.25
Indonesia 7 84	100	97⅜	97⅞	−0⅛	−0⅛	7.53
Kobe, City of 5¾ 86	100	97⅞	98⅜	+0⅛	−0⅛	6.07
Megal Fin. 7 89	150	99½	100	−0⅛	+0⅛	7.05
Mitsubishi Petro. 5¾ 86	100	98	98½	−0⅛	−0⅛	6.08
New Zealand 6¼ 87	200	99½	100	0	+0⅛	6.29
Nippon Kokan 7½ 84	100	99⅝	100⅛	−0⅛	+0⅛	7.50
Nippon Steel 5¾ 85	100	97⅜	97⅞	−0⅛	−0⅛	6.23
Nippon Tel. & T. 5½ 87	100	94⅜	94⅞	+0⅛	−0⅛	6.39
Nordic Inv. Bk. 6⅜ 86	60	97⅞	98⅜	0	+0⅛	6.57
Norges Komm. 6 90	100	94⅝	95⅛	0	−0⅛	6.65
Norges Komm. 6⅜ 89	150	97½	98	+0⅛	+0⅛	6.56
Norway 6¼ 84	200	101	101½	0	+0⅛	5.96
Occidental 6¾ 90	150	96⅜	96⅞	0	+0⅛	7.18
OKB 6½ 88	100	99	99½	+0⅛	−0⅛	6.60
OKB 6 87	40	97½	98	0	−0⅛	6.37
Petroleo Brazil 7 88	100	97⅜	97⅞	−0⅛	−0⅛	7.35
Ricoh 5⅝ 83	30	97	97½	−0⅛	−0⅛	5.98
Statoil 6 88	150	95½	96	0	−0⅛	6.60
Statoil 6½ 89	150	97⅜	98⅜	−0⅛	−0⅛	6.78
UDS Group 5¾ 83	65	96⅞	97⅜	0	0	6.51
Union Bank-Finn 6½ 88	50	94⅜	94⅞	+0⅛	−0⅛	7.32
Venezuela 6½ 90	150	91⅛	91⅝	−0⅛	−0⅛	7.62
World Bank 6⅜ 88	400	95⅛	95⅝	−0⅛	−0⅛	6.75

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	103⅛	103⅝	−0⅛	−0⅛	4.77
Amer. Exp. Int. 3½ 93	40	97	97⅜	+0½	−0⅛	3.76
Asian Dev. Bank 3½ 94	100	89	89½	+0⅛	−2	4.52
Austria 3½ 93	100	94¼	94½	+0⅛	−1	4.01
Australia 3⅞ 89	250	95⅜	95⅞	+0⅛	+0⅛	4.15
Brazil 4¼	100	99	99½	0	−0⅛	4.36
Canada 3⅝ 89	300	95⅞	96⅛	+0⅛	−0⅞	4.12
Chase Manhattan 4 93	70	100	100⅛	−0⅛	−0⅛	3.99
Council of Europe 4⅜	100	99	99¼	−0⅛	−1⅛	4.34
Bankamerica 3¾ 93	80	97	97⅛	0	−1⅛	4.01
BNDE 5 88	75	100	100½	0	−1⅛	4.96
Denmark 4½ 90	100	94⅞	95	+0⅛	−2⅛	5.13
EIB 4¼ 93	100	97¾	98	0	−1⅛	4.45
Euratom 4⅛ 93	80	97½	97⅞	−0½	−1⅛	4.47
F. L. Smidth 4½ 89	25	99⅜	99⅞	−0⅛	−1⅛	4.54
Finland 4½ 93	80	99½	99⅞	+0⅛	−0⅛	4.53
GZB 4½ 93	100	100	100⅛	0	−1⅛	4.49
Heron 4¾ 89	35	96⅜	96⅞	0	−1⅞	4.70
ICI Fin. NV 3½ 94	230	93	93¼	+0⅞	−0⅛	4.13
Malaysia 4¾ 90	80	98¼	98½	0	−0½	4.93
New Zealand 3½ 94	120	92¼	92½	+0½	−2⅞	4.20
Norges Komm. 4¼ 90	100	99⅜	100	−0⅛	−1⅛	4.26
OKB 3¾ 91	100	94½	94¾	+0⅛	−0⅛	4.33
Oy Nokia 5 90	20	101	102	−0⅛	−1	4.82
Philippines 4¾ 89	50	97½	97¾	+0⅛	−0⅛	5.06
Sandvik 4 90	85	97½	97¾	+0⅛	−0⅛	4.26
Spain 4 91	100	95¾	96	+0⅛	−1⅛	4.45
Voest-Alpine 4½ 93	100	99½	99¾	−0⅛	−0⅛	4.53
Vienna 4 93	100	98	98⅛	0	−1½	4.17
World Bank 4⅛ 93	250	99½	99¾	0	−0⅛	4.28

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 6⅜ 88	15	83½	84¼	−1½	−3⅞	8.28
Australia 5.6 83	30	94½	95⅛	0	−0⅛	7.02
Australia 6½ 88	20	92¼	93⅛	−0⅛	−0⅞	7.73
Finland 5.6 83	10	93½	94⅛	−0⅛	−1⅛	7.35
Finland 6.8 88	10	93½	94⅛	−0⅛	−0⅛	7.89

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	98¼	98½	0	−0⅛	9.22
Auto Cote B. 7 93 EUA	16	91½	93	0	+0⅛	7.90
Komm. Inst. 7½ 93 EUA	15	97¼	98¼	0	−0⅛	7.71
Panama 8½ 93 EUA	20	94	95½	0	−0⅛	8.90
SDR France 7 93 EUA	22	94½	95⅞	−0⅛	0	7.56
Algemene Bk. 6½ 83 Fl	75	95⅝	96⅛	+0⅛	−0⅛	7.41
CFE Mexico 7½ 83 Fl	75	98	98½	0	−0⅛	8.19
EIB 7¼ 85 Fl	75	94½	95½	−0⅛	−0⅛	8.29
Ned. Middbk. 8¼ 84 Fl	75	100	100½	+0⅛	+0⅛	8.19
New Zealand 6¾ 84 Fl	75	94¼	95¼	0	−0⅛	8.00
Norway 8¼ 84 Fl	100	100¼	101¼	0	0	7.89
Elf Aquitaine 9¾ 88 FFr	150	98¾	99¼	0	0	9.90
EIB 9¾ 88 FFr	200	98⅞	99⅜	0	−0⅛	9.88
Norway 9¼ 84 FFr	200	99⅝	100⅛	0	0	9.30
PSA Peugeot 9¾ 87 FFr	175	99⅜	99⅞	0	+0⅛	9.81
Total Oil 9⅝ 87 FFr	150	97⅝	98⅛	−0⅛	−0⅛	9.74
Unilever 10 85 FFr	100	100¾	101¼	0	−0⅛	9.74
CECA 9¾ 89 £	20	91½	92¼	+0⅛	+1⅛	11.01
Citicorp 10 93 £	20	91⅞	92½	+0⅛	+0⅞	11.13
EIB 9¾ 88 £	25	95⅞	96⅜	+0½	+2	10.41
Finance for Ind. 13 91 £	15	105¾	106	+0⅛	+1⅛	12.08
Gen. Elec. Co. 12⅞ 89 £	50	102	102½	+0⅛	+0⅛	12.09
BAT 8 88 LuxFr	250	97¼	98¼	0	0	8.35
Bayer Lux. 8 86 LuxFr	250	97½	98½	0	−0⅛	8.36
EIB 7¾ 88 LuxFr	250	96¾	97¾	0	+0⅛	8.17
Euratom 8 87 LuxFr	500	100¼	101¼	0	+0⅛	7.89
Finland I. P. 8 88 LuxFr	250	97⅞	98⅞	0	0	8.33
Norway 7¾ 83 Lux Fr	250	97½	98½	0	+0⅛	8.30
Norges Km. 8 86 LuxFr	500	98½	99½	0	−0⅛	8.17
Renault 7¾ 88 LuxFr	500	97¾	98¾	0	+0⅛	8.07
Solvay Fin. 8 85 LuxFr	500	100¼	101¼	0	+0⅛	7.84
Swedish Bk. 8 88 LuxFr	500	100¼	101¼	0	+0⅛	7.89

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0⅛	96½	97	31/7	11.44	11.82
BFG Fin. Co. M5.5 89	0⅛	98⅝	99⅛	12/7	12.4	12.54
Bco. El Salvador M8 83	1⅛	97⅜	97⅞	12/4	11.31	11.59
Bco. Nac. Argnt. M8 83	0⅛	100⅛	100⅝	21/7	12⅛	12.19
Bco. Nac. Argnt. 7 86	0⅛	97⅞	98⅜	22/9	11½	11.72
Banco Urquijo 6 86	0⅛	97¾	98¼	21/9	11½	11.73
Bank of Tokyo M5½ 93	0⅛	97⅝	98⅛	18/4	10½	10.73
Banque Worms M5¾ 85	0⅛	98½	99	15/6	12	12.15
Bq. E. d'Alg. M8.375 84	0⅛	96⅝	97⅛	9/8	11⅞	12.24
Bq. Ext. d'Alg. M7.5 85	0⅛	95⅜	95⅞	2/5	12¾	13.35
Bq. Indo et Suez M5½	0⅛	99½	100	25/7	12	12.03
Bq. I. Af. Occ. M6.5 83	0⅛	98	98½	12/7	12.4	12.62
BNP 5½ 91	0⅛	97⅝	98⅛	22/2	11⅜	11.62
CCCE M5.25 98	0⅛	97¼	97¾	3/8	11⅜	11.67
Ch. Man. O/S M5¾ 93	0⅛	97⅞	98⅜	27/7	11.73	11.95
Citicorp O/S Fin. 6 94	0⅛	99⅜	99⅞	8/6	11.06	11.10
Credit National M5¾ 88	0⅛	98½	99	11/7	12.31	12.47
Gotabanken M6 88	0⅛	98⅜	98⅞	15/5	12.31	12.50
Ind. Bk. Japan M5⅞ 85	0⅛	99⅞	100⅜	1/6	12.35	12.32
Ljubljanske M7.75 85	1	97⅜	98⅜	18/7	12.94	13.24
LTCB Japan M5⅝ 85	0⅛	99¼	99¾	9/5	12.06	12.12
Midland Intl. M5½ 93	0⅛	98⅞	99⅜	20/7	12⅛	12.35
Nipp. Crdt. Bk. M5.5 85	0⅛	99¾	100¼	22/6	12.81	12.81
OKB M5½ 88	0⅛	99¾	100⅛	18/4	10.56	10.56
Offshore Mining 86	0⅛	99	99½	19/7	12.19	12.28
Petro Mexicano 7½ 84	0⅛	98¾	99¼	24/7	12.06	12.18
Privredna Banka M8 86	0⅞	96	97	22/6	13.44	13.92
Standard Chrt. M5.5 90	0⅛	97⅜	97⅞	10/8	11.56	11.84
Sundsvallsbnkn. M6 85	0⅛	97½	98	4/10	11.06	11.32
Utd. O'seas Bk. M6 89	0⅛	98	98½	29/9	11.14	11.34

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	88½	89¼	−0⅛	3.41
Baker Int. Fin. 5½ 93	1/79	34	†118	118½	0	0.81
Boots 6¾ 93	2/79	2.16	109⅞	110⅞	+2⅛	−5.19
Ciba-Geigy O/S F 4 94	9/79	675	93¾	94½	+0⅛	−14.39
Coca-Cola Bottling 6¾	4/79	9	89¾	90¾	0	20.33
Honda Motor 5½ 89	5/79	532	92	92½	+0⅛	5.44
Ito-Yokado 5¾ 93	6/78	1339	112	112¾	+0⅛	2.11
Novo Industri 7 89	4/79	259	87⅜	89⅛	+0⅛	9.98
Texas Int. Air. 7¾ 93	4/79	14.5	91	92	−0⅛	14.08
Thorn Int. Fin. 7 88	11/78	3.67	124½	125¼	+1⅛	−1.32
Tyco Int. Fin. 8½ 88	9/78	21	104½	105⅞	+2	13.51
Asahi Optical 3½ DM	12/78	588	93⅝	94⅛	−0½	2.46
Casio Cp. 3½ 85 DM	11/78	841	93½	94½	+0⅛	16.83
Izumiya 3½ 86 DM	10/78	989	91	92	−0⅛	10.18
Jusco 3½ 86 DM	1/79	1154	87⅜	88⅜	−0⅛	21.35
Kansai Elec. 4 84 DM	4/79	1350	90⅞	91⅞	−0⅛	42.01
Konishiroku 3½ 85 DM	1/79	612	92	93	0	18.73
Marudai Food 3½ DM	2/79	1033	88⅞	89⅞	+0⅛	33.18
Murata M. 3½ 86 DM	11/78	854	96½	97½	−0⅛	3.11
Nipp. Air. 3.5 88 DM	12/78	508	86⅛	87⅛	0	8.78
Nippon Ysn. 3½ 85 DM	1/79	251	92⅛	93⅛	+0⅛	15.80
Nissan Diesl. 3½ 86 DM	2/79	477	91¾	92¾	−0⅛	8.90
Olymp. Opt. 3½ 85 DM	2/79	703	98¾	99¾	+0⅛	2.82
Ricoh 3½ 86 DM	10/78	617	94½	95½	0	20.49
Sharp Co. 3½ 88 DM	2/79	487	94⅞	95⅞	−0⅛	64.18
Stanley Elec. 3½ DM	11/78	623	90⅝	91⅝	−0⅛	27.04
Tokyo Elec. 3½ 87 DM	4/79	476	92¼	93¼	+0⅛	6.79
Tokyu Ld. Co. 4 86 DM	4/79	493	88¾	89¾	0	8.06
Trio-Knwd. 3½ 86 DM	11/78	711	87¼	88¼	+0⅛	23.87

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; *the amount issued is in millions of currency* units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.date=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL CAPITAL MARKETS

China arranges further UK commercial bank credit

BY JOHN EVANS

A FURTHER British commercial bank credit line for China for up to $100m was signed by Lloyds Bank International and the Bank of China yesterday.

It brings the total of British deposit facilities and loans for China agreed so far to $1.675bn.

Britain has taken the lead among Western nations in the volume of credits extended to China in support of the country's modernisation programme. However, Japan is expected to sign agreements with Peking shortly on an overall credits package of some $6bn.

The Lloyds Bank five-year facility is expected to carry a margin of ½ per cent over Euro-dollar interbank rates, in line with other recent UK bank credits.

Drawing will be at the discretion of the Bank of China, and the deal can be used partly in payment of British exports.

The arrangement follows credits for $100m each signed this week by the *Midland Bank* and Standard Chartered Bank respectively, and the $175m loan arranged by the consortium bank, Midland and International Banks.

Additionally, seven UK banking groups concluded a $1.2bn deposit facility, backed by the Export Credits Guarantee Department, last December. So far, no drawings on this line have been made.

Mr. Eric Varley, the Minister for Industry, told Parliament earlier this month, after a visit to Peking, that the Government had agreed to *further* credit facilities, supported by the ECGD, which would centre on an initial tranche of $5bn.

Diamond Shamrock sees rise

CLEVELAND — Diamond Shamrock Corporation, the *Ohio-based* energy and chemicals concern, is experiencing stronger business at its major operations and as a result expects to report higher profits for the first quarter and for the full year, according to Mr. W. H. Bricker, president and chief executive.

If business continues strong, prospects for a dividend increase next autumn are good, Mr. Bricker said. Last October the board raised the quarterly dividend to 37 cents from 35 cents for the December payment.

With the acquisition of Falcon Seaboard Incorporated, Diamond Shamrock earns about half its profits from energy operations and half from chemical businesses. Both areas will be more profitable in 1979 than for 1978, Mr. Bricker said, and the outlook for future years is favourable in both fields.

"This is going to be an interesting year, one in which the company crosses the $2bn mark in sales and sets a record in dollar earnings," Mr. Bricker said. The previous record for earnings was $162.1m in 1977.

That would indicate earnings of more than $3.10 a share for the current year, just above the $2.80 to $3 a share range some analysts have been projecting.

In 1978, Diamond Shamrock reported net income of $131.1m or $3.26. After restatement for the acquisition of Falcon Seaboard last February on a pooling-of-interest basis, net income was $144.7m or $2.77 on sales of $1.82bn.

Profits for last year will be further restated for a change in accounting for oil and gas leases, Mr. Bricker said. The change, in accordance with Financial Accounting Standards Board ruling number 19 requires the immediate write-off of lease costs if a property is not productive. The result will reduce 1978 earnings by an estimated 19 cents a share to $2.58, he said.

First quarter 1979 earnings will be substantially ahead of the 1978 period, which will be restated to around 39 cents a share, Mr. Bricker said. Falcon had a loss for the 1978 quarter, and FASB 19 will reduce earnings sharply for that period. Diamond Shamrock originally reported net of $28.6m or 73 cents for the quarter.

AP-DJ.

Mexico plans big steel plant

BY WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government is studying the idea of building a major plant to produce steel plate and large diameter steel pipe. In 1978, Mexico imported 458,000 tonnes of plate, worth $227m, and 538,000 tonnes of pipe, worth $438m. Most of the imports are taken by Pemex, the state-owned oil monopoly, for its oil production programme.

Sidermex, the Government holding company which oversees the three state steel mills—Altos Hornos, Sicartsa and Fundidora de Monterrey—is carrying out a study to determine future demand for steel plate and pipe.

The new plant could be built at Las Truchas, on the Pacific Coast, with a capacity to produce 1.4m tonnes of steel, 1m tonnes of plate, and with facilities to manufacture large diameter steel pipe. Las Truchas is one of the Government's recently announced development ports at which fiscal incentives are to be given to encourage the decentralisation of new industry.

Sidermex has not announced what the investment for such a plant might be or when the decision to go ahead might be taken.

If Sidermex goes ahead it will have to decide whether to use the Hylsa gas-fired sponge iron process or the coal-fired blast furnace technology. Hylsa is the leading private Mexican steel company.

The Japanese are attempting to persuade Sidermex to use their blast furnace technology. When the Mexican President, Sr. Jose Lopez Portillo, went to Japan last October, a Japanese commission — including among its members the president of Nippon Steel and the president of the Bank of Tokyo—was established to pursue possible joint ventures in Mexico.

Canadian dollar Eurobond prices fall

By Francis Ghilès

PRICES WERE mixed in the Eurobond markets yesterday. In the dollar sector, the firm tone remains and prices moved up slightly on the day. In the Canadian dollar sector, prices were off, particularly at the longer end of the market.

Investors have been switching out of seasoned Canadian dollar bonds, particularly those maturing between 1988 and 1992, to buy into the more recent issues which, for equivalent maturities, offer higher yields. The prices of shorter maturity Canadian bonds fell by up to ½ of a point in sympathy.

In the sterling sector, prices were a little off in the morning but came back strongly after it was announced that the Minimum Lending Rate would be reduced by a full point to 12 per cent. Many seasoned issues finished the day at their highest ever levels: the recent issue for FFI was quoted at 105½-105¾.

But most bankers remain convinced that current rates are still too high to tempt UK corporate names into issuing sterling denominated bonds.

In the Deutsche Mark sector of the bond market, a DM 150m issue is being arranged for the European Coal and Steel Community by Dresdner Bank. This issue carries a 12-year maturity and an average life of 9½ years. *The indicated coupon* is 7 per cent.

The DM 50m private placement for the South African Oil Fund has been priced at 99½ with indicated conditions—a four-year and seven-month maturity and a coupon of 8 per cent—otherwise unchanged by the lead manager BHF Bank.

A DM 70m issue for Mitsubishi is expected from Deutsche Bank later today.

In the secondary market, prices were essentially unchanged.

In the Swiss franc sector, prices have stabilised in the secondary market over the past two days: some have even moved up. The recent public issue for Australia, which was quoted at 95½ on Wednesday, had moved up to 95¾ yesterday in mostly professional trading.

A SwFr 200m private placement has been arranged for the Republic of Finland by Banque Scandinave en Suisse and Nordfinanz. *This five-year bond carries* a coupon of 3½ per cent and a final price of par.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Sharp recovery at Rhone-Poulenc

BY TERRY DODSWORTH IN PARIS

THE SECOND HALF of last year sustained the first half recovery of Rhone-Poulenc, the French chemicals and textiles group, as redevelopment of its troubled textiles division began to take effect.

Group consolidated figures released yesterday show profits recovering sharply from FFr 84m in 1977 to FFr 237m ($55m). In the two years before 1977 the group ran up losses totalling more than FFr 1.2bn folowing a dramatic slump from net earnings of about FFr 860m in 1974.

These profits take into account exceptional items of FFr 160m raised from disposals, but were at the same time reduced by FFr 335m for reorganisation expenses in the textiles company.

The accounts indicate that Rhone-Poulenc has achieved these improvements largely by tightening up on its financial controls and overhead costs. Apart from the overhaul of its textiles concern, it has been reducing its workforce steadily for the last two years and expects to shed a further 5,000 employees this year.

Thus, prices went up by only 2.5 per cent last year, while volume sales rose by 5.5 per cent, leading to an overall improvement in turnover of 8 per cent from FFr 23.6bn ($5.5bn) to FFr 25.5bn.

In line with the group's policy of overseas development now being pursued strongly in the U.S. and Japan, foreign sales reached 59.9 per cent of the total. Exports by the French companies in the group rose by 8.5 per cent.

The group's debt financing was also reduced last year, with investments being entirely financed out of cash flow. This reached FFr 1.7bn against FFr 1.5bn in 1977 while investments came to FFr 1.4bn.

The French parent company's net profits, after provisions and depreciation, and taking account of a revaluation of FFr 3.3bn, came to FFr 145m against FFr 82.8m in 1977.

After the improvement last year, and a favourable outlook in view of the reorganisation, the group is to propose an increase in dividends from FFr 6 net of taxes to FFr 7 a share.

Linde expects more growth

By Andrew Fisher in Frankfurt

LINDE, THE West German engineering and construction group, is hoping for further turnover and earnings growth this year after a 10 per cent rise in 1978 net profits to DM37m ($19.6m).

If 1979 turned out to be a normal year, Herr Hans Meinhardt said on behalf of the management board, turnover should expand at a broadly similar rate to previous years and profits be satisfactory.

But events in the Middle East, coupled with the possible effect on public opinion of the nuclear power accident in the U.S., showed just how vulnerable energy supplies were.

Herr Meinhardt said that turnover, which increased by 9.5 per cent to DM1.83bn in 1978, would not grow sharply in 1979, but he declined to make any definite sales and profit forecasts because of the doubts over energy and exchange rates.

Last year's record result, with pre-tax profits up by nearly 13 per cent to DM 107m, has prompted the board of the Wiesbaden-based company to pay a special bonus to shareholders of DM 1.50 to mark its hundredth year in business, as well as a maintained DM 8 dividend on the DM 50 shares. Shareholders resident in Germany will receive a total of DM 14.84

Linde achieved a slightly improved turnover of DM 373m in the first quarter of 1979, but the order inflow was 35 per cent lower than the DM 426m of a year ago because the comparative figure included one major petrochemical plant order for DM 300m.

The company plans to raise its capital investments in 1979 over last year's DM 91m; slightly more than half of which went on equipment replacement and rationalisation, and to concentrate spending on its gas, mechanical handling, hydraulic and plant-building sectors.

Dutch engineer trims deficit

BY CHARLES BATCHELOR IN AMSTERDAM

VMF-STORK, the troubled Dutch engineering group, almost halved its losses in 1978 with the operating deficit falling to Fl 34.3m ($17.1m) from Fl 59.3m. After making provisions of Fl 29m for restructuring costs—sharply down from the Fl 73.6m of 1977—but setting aside Fl 12.5m to meet unspecified political risks, the total loss was Fl 75.8m, against Fl 132.9m the year before.

VMF benefited considerably from the deconsolidation of its Werkspoor diesel division in which it now has a shareholding of just under 50 per cent after the state participation. Diesel losses attributable to VMF were Fl 16.9m last year, compared with Fl 42.5m

New orders in 1978 increased by 15 per cent and year end order books rose by Fl 32m to Fl 1.73bn.

Political and economic developments in VMF's most important foreign markets "will significantly influence" the 1979 result and stringent policies to restore profitability are still necessary, the company said. It will shut down any activities which appear unlikely to be profitable in the foreseeable future.

The full year's figures show that VMF continued to cut its losses in the second part of the year after reporting an operating loss of Fl 24.9m in the first 32 weeks. The Dutch government has given the company a total of Fl 235m in aid as part of a Fl 1bn programme to revamp the shipbuilding and heavy engineering industries.

● The merchant bank subsidiary of the Amsterdam-Rotterdam Bank, Pierson, Helding and Pierson, increased after-tax profits by 45 per cent last year as a result of higher income from interest and foreign exchange, an expansion in credit portfolio and more activities overseas.

Pierson posted an after-tax profit of Fls 16.3m ($8.15m) compared with Fls 11.2m in 1977. Its balance sheet total rose to Fls 4.1bn from Fls 3.6bn. The bank's credit portfolio rose by 29.5 per cent.

Upsurge at Thomson Ericsson

BY OUR PARIS STAFF

THE FORMER French subsidiary of Sweden's L. M. Ericsson telephone group—now known as Thomson Ericsson—has reported stronger profits and marked improvements in turnover and new orders.

The company, which came into the orbit of the French Thomson-Brandt group in moves three years ago to "Frenchify" the telephone industry, almost doubled its net earnings to FFr 30.3m ($7.1m) from FFr 15.6m in 1977. The Board said the company had marked its recovery "on both the financial and the operating levels" from the loss-making position which Thomson received as a legacy in 1976.

The upturn resulted largely from high technical standards and the efforts of the two main shareholders, Thomson-CSF (telecommunications and electronics subsidiary of Thomson-Brandt) and L. M. Ericsson. The Swedish group retained a minority interest after selling part of its controlling stake to Thomson, which also acquired a smaller shareholding from the other main French electrical group, Compagnie Generale d'Electricite (CGE).

The move was part of a double manoeuvre which involves Thomson-CSF's taking majority control of one of ITT's French subsidiaries, Le Material Telephonique (LMT).

Thomson Ericsson's turnover was 20 per cent higher last year at FFr 1.3bn ($300.9m) compared with FFr 1.1bn. Inflow of new orders was up 18 per cent on the previous year at FFr. 1.46bn. Orders included several African contracts for its "Axe" telephone exchanges.

The company is pinning considerable sales hopes on the export market for small automatic exchanges. Two new models at the bottom end of the range were brought on to the market late last year.

● Generale de Service Informatique a member of the CGE group and a leading French computer services company has acquired a 60 per cent interest in Seresco, a Spanish company in the same field, from the Banco Industrial de Catalana, AP-DJ reports from Paris. The latest acquisition will bring GSI's annual turnover to more than FFr 600m. Seresco has a reported 20 per cent share of the Spanish computer services market.

Dresdner Bank earns more and holds payout

By Our Frankfurt Correspondent

DRESDNER BANK, the second largest commercial bank in West Germany lifted its net profit by nearly 10 per cent last year to DM 223m ($118.4m) and is holding its dividend at DM 9 per DM 50 share.

With the inclusion of the tax credit to which shareholders in Germany are now entitled, the total distribution comes to DM 14.06, the same as that announced earlier this week by Deutsche Bank.

The dividend will cost Dresdner DM 153m, with the remaining DM 70m of the parent bank's earnings going into the reserves. In 1977, the bank made a net profit of DM 203m.

The bank, which will announce its full results next week, said yesterday that its total resources amounted to [illegible]; this comprised [illegible] in basic capital and [illegible] in open reserves.

Meanwhile, one of the country's [illegible] Bavarian-based [illegible] Hypotheken- [illegible] Bank of Munich, [illegible] a rise of 17.3 per cent in last year's net profits to DM 30m ($13.55m). It, too, is paying a maintained dividend of DM 9 or 18 per cent.

The bank said it was satisfied with its progress in 1978, with credit volume up by some 13 per cent to DM 17.4bn and the balance sheet total by 17 per cent to DM 46.5bn. Bayernhypo plans to open offices in London and Sao Paulo this year.

Including subsidiaries, group net profits slipped from DM 124m to DM 115.2m. The bank said the 1977 figure had been inflated by an extraordinary profit from one of its subsidiaries, but declined to be more precise. The group balance sheet total last year moved up by nearly 18 per cent to DM 64.7bn.

Profits slip for Belgian engineer

By Our Financial Staff

ANOTHER YEAR of depressed trading was unveiled yesterday by Ateliers de Constructions Electriques de Charleroi, the major Belgian manufacturer of heavy machinery.

At the net level, profits for 1978 have slipped to BFr 52.8m ($1.8m) from BFr 71.1m suggesting a sharp squeeze on margins and leaving the company with a seven-year record that includes only four years of actual profits, after tax.

Sales last year were virtually unchanged at BFr 12.8bn ($430m)

Swiss franc rise causes fall in turnover at Forbo

BY JOHN WICKS IN ZURICH

GROUP SALES of the Swiss-based Forbo Group, international producer of floor and wall coverings, dropped from SwFr 495m to SwFr 449m ($264m) last year.

The group's consolidated net income fell from SwFr 16.11m to SwFr 15.25m ($8.97m) after increased fixed-asset depreciations of SwFr 19.24m (SwFr 17.24m). Consolidated cash flow was thus higher at SwFr 34.5m (SwF 33.36m).

The fall in turnover was a result of the Swiss franc's appreciation. Calculated at unchanged currency values, group sales would have totalled SwFr 538m in 1978. Cashflow would then have been at SwFr 38m and net income up to SwFr 18.8m.

Net profits of the parent company Forbo AG, Zurich, was slightly lower last year at SwFr 10.12m (SwFr 10.44m). The board will recommended to the May 17 annual general meeting distribution of unaltered dividends for the year of SwFr 60 per "A" share and SwFr 240 per "B" share.

● Swiss insurance group Winterthur Versicherungen reports good results from an improving insurance business for 1978 Reuter reports from Winterthur. Payments of claims increased less than premium income, costs were kept in check and capital earnings increased, the board declares in a letter to shareholders.

Assuag buys 85% of U.S. group

BY BRIJ KHINDARIA IN GENEVA

SWISS watch-making groups Assuag has bought an 85 per cent stake in an American electronic components company, Statek Corporation of California. Statek, with a turnover of $4m, specialises in the manufacture of quartz controlled leaf tuning forks and quartz crystal resonateurs used in the newest quartz and digital watches.

Assuag's purchase reflects the attempt by Swiss watchmakers to fight back against the increasing loss of their traditional export markets to American and Japanese watchmakers.

Italy's state steel losses continue

By Paul Betts in Rome

ITALSIDER, ONE of Europe's largest iron and steel groups and the main operating company of the giant Italian IRI-Finsider state steel holding, reported yesterday losses of L 348.5bn ($41.48m) last year compared with a loss of L 395bn in 1977.

At the same time, Dalmine, another operating company controlled by IRI-Finsider, saw its losses nearly doubled from L 37.2bn in 1977 to L 62.4bn ($74.28m) last year. Despite an increase in sales revenue and a general recovery of prices, this, nonetheless, proved insufficient to cover the continuing heavy costs of the two Italian state-controlled steel companies.

Italsider's debt interest last year totalled L 506.4bn, or the equivalent of 18.8 per cent of the company's turnover which was L 2,692.9bn ($3.20bn) last year, representing a 14.6 per cent increase over the previous year.

Dalmine's turnover last year increased by 17.7 per cent on a year-on-year basis to L 419.7bn ($499.64m) while debt interest rose from L 42.5bn in 1977 to L 49.8bn. The company's medium-term debts rose from L 191.8bn at the end of 1977 to L 344.1bn at the of last year, while short-term debts were reduced from L 150bn to L 866bn over the equivalent period.

Italsider last year produced 10.4m tonnes of steel while Dalmine produced more than 773,000 tonnes of steel tubes. In a communique yesterday, Italsider said depressed market demand had continued to hold back production which last year was barely up on the 10.2m tonnes produced in 1977.

Italsider, which has been particularly hit not only by the general steel crisis but also by a series of structural and financial problems during the past two years, said "some progress" has been made in the company's urgently needed recovery programme.

However, it gave a warning that unless the recently approved financial and structural programme for the recovery of Italy's state steel sector was swiftly implemented, efforts to bring Italsider back into the black, at least in the medium term, would be seriously jeopardised.

"The problem is made all the more urgent in view of the major financial and structural intervention programmes now in course in all the main European steel industries," Italsider said yesterday.

The recovery programme for Italy's state-controlled steel industry, approved at the end of last month by the Government's industrial planning committee, earmarks a total of L1435bn for the recapitalisation of Finsider's troubled operating companies. Of this total, some L1,200bn is to be allocated to Italsider, Italy's largest steel group.

The biggest single restructuring plan, costed at L415bn, involves Italsider's steel plant at Bagnoli, in Naples. Bagnoli has traditionally been Italsider's main liability, and the group estimates that the Naples plant will lose a further L300bn between the start and completion of the restructuring programme which is expected to take about three years.

The recently approved state steel recovery programme, due to be officially published later this month, indicates a total expenditure of L1,190bn for projects already underway; about L1,280bn for new projects; L750bn for industrial reconversion; and L1,750bn for both the working capital and reduction of short-term debt of state-controlled steel companies.

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Ansett takes full ASL write-off

By James Forth in Sydney

ANSETT Transport Industries has decided to write off its entire investment in the failed finance company Associated Securities Ltd. (ASL). This follows the release of the estimate by the receivers of ASL that only the first charge secured debenture holders would be repaid in full, with second charge debenture holders receiving back some of their principal.

Ansett holds a 48.4 per cent shareholding in ASL in ordinary and convertible preference shares. The Ansett directors had already written off A$9.4m (US$10.6m), representing the investment in ordinary shares and the reserves of associated companies. The Ansett board said that after considering the comments of the receivers on the ASL directors' statement of affairs, they had also decided to provide in full for the A$10m in preference shares. This brings the total ASL write-offs by Ansett to A$19.4m.

The directors said that the losses would be applied to reducing shareholders' funds rather than be charged against trading profits.

MEDIUM-TERM CREDITS

Fine terms for Brazilian bank

BY ROSEMARY BURR

BANCO NACIONAL do Desenvolvimento Economico, the Brazilian state-owned development bank, is raising a two tranche $250m loan. The margin over interbank rates on a 10 year $125m portion is $\frac{3}{4}$ per cent and on a 12 year $125m portion $\frac{7}{8}$ per cent. The grace period is six years in each case.

The terms on both tranches are the finest for a Brazilian borrower in the current cycle.

The deal is being led by the Bank of Montreal, which is currently assembling a management group.

Spreads on Brazilian credits have fallen particularly sharply this year. At the start of 1979 a margin of 1 per cent on a 10 year Brazilian deal was common In February Nuclebras, the nuclear agency, broke the 1 per cent barrier and raised a $50m 10 year credit through Westdeutsche Landesbank at a spread of $\frac{7}{8}$ per cent. As for 12 year credits, a spread of $1\frac{1}{8}$ per cent was usual at the end of last year.

This rate was breached in early February on the 12 year $360m tranche of Eletrobras' $400m loan. This latter carried a spread of $\frac{7}{8}$ per cent for the first six years, rising to 1 per cent for the following three years and $1\frac{1}{8}$ per cent for the rest.

● The Algerian state oil company, Sonatrach is arranging a $125m loan through Deutsche Bank, writes Francis Ghiles. The borrower is paying a spread of $1\frac{1}{8}$ per cent for ten years with a grace period of $4\frac{1}{2}$ years.

Despite very favourable terms this credit is not tied to German export credits nor is it guaranteed by the German export credit organisation, Hermes.

AUSTRALIAN BONDS

Tap system planned

CANBERRA—The Australian Government is to change its method of selling Commonwealth bonds to a tap system from the present method of period cash and/or conversion offers, Mr. John Howard, the Treasurer, said.

The decision was approved at a special meeting of the joint federal/state Loan Council and the change is expected in the second half of 1979 after completion of legal and technical processes.

The system proposed aims at having three or four securities available for investors more or less continuously through the year.

The loan council will continue to determine the maturity date and coupon of the securities to be issued on tap and will from time to time establish limits within which yields may be varied by the Federal Government without further consultation with the states in the Loan Council.

The Reserve Bank will act as agents for the Commonwealth in offering bonds.

The Loan Council also agreed that the reserve bank would sell Treasury notes by periodic tender, replacing the present system whereby notes are available on continuous issue at Government-determined prices.

Reuter

DISINVESTMENT IN INDIA

Public issue by TI

BY K. K. SHARMA IN NEW DELHI

TUBE INVESTMENTS of India will enter the market on April 16 with a public issue of 550,000 equity shares of Rs10 each at par in order to comply with requirements of the Foreign Exchange Regulation Act (FERA) and to finance a Rs9m ($1.1m) project to manufacture the structural, Z-Purlin. The new plant will have a capacity of 6,000 tonnes a year.

The proceeds of the public issue apart, Tube Investments has obtained a loan of Rs33.5m to finance the project, which is expected to be commissioned in 1980. It will add Rs30m to the company's annual turnover.

According to Mr. M. V. Arunachalam, managing director of the company, its foreign holding will come down from 45.87 per cent to 40 per cent with the public issue. The company is an offshoot of Tube Investments of the UK, and has two divisions—to manufacture bicycles and its parts, and steel tubes and cold rolled strips. The Indian company has two subsidiaries manufacturing chains and cycle lamps.

The sales turnover was around Rs229.7m ($28m) in 1976 and increased to Rs262.1m in 1977, but declined to Rs215.1m in 1978, as a result of prolonged labour troubles in the bicycle division. The company has been paying an annual dividend of 10 per cent for the past 20 years. For 1978, however, the company has declared an interim dividend of 6 per cent, and the new shareholders will be eligible for the final dividend.

Mr. Arunachalam says that the company's bicycle section has substantial unutilised capacity. It hopes to manufacture 400,000 bicycles this year compared with its licensed capacity of 700,000 bicycles. The licensed capacity of the tube division is 30,000 tonnes and the company hopes to produce 27,500 tonnes this year.

Doom Dooma to shed 26%

By Our New Delhi Correspondent

DOOM DOOMA Company, a wholly-owned subsidiary of Brooke Bond Leibig (BBL) of the UK, which has three tea estates in Dibrugarh district of Assam State, plans to shed 26 per cent of its foreign equity holdings, so as to comply with the requirements of the Foreign Exchange Regulation Act (FERA).

Sharp gain at Israeli investment company

By L. Daniel in Tel Aviv

THE Israel Discount Bank Investment Company—the only bank attached investment company which invests heavily in industry and takes an active part in the management of the companies concerned—has reported a record net profit for 1978 of I£107.2m ($85m) to show a rise of 121 per cent on the preceding year. Net earnings per share, after dilution, came to 73 per cent of the nominal value, as compared with 43 per cent in 1977.

The corporation's total assets reached I£8.6bn ($400m) at end-1978, a gain of 58 per cent on the year. Capital and reserves came to I£411m, up 67 per cent. The investment portfolio stood at I£385m, a rise of 69 per cent. The division of investments was 47.7 per cent in industry, 30.6 per cent in banking, insurance and services, 11.8 per cent in shipping, 7.9 per cent in real estate, and three per cent in oil.

The value of the unit fund portfolios managed by the corporation was I£6.3bn, with the assets having nearly trebled since 1976.

Last December, shareholders were paid a gross cash dividend of 18 per cent, plus 30 per cent in bonus shares, against 18 per cent and 25 per cent, respectively, for 1977.

Little change in UIC profit

By H. F. Lee in Singapore

LEADING Singapore detergent manufacturer, United Industrial Corporation (UIC), has reported group pre-tax profit of S$4.26m (U.S.$1.95m) for the six months ended January 1979.

The first-half figure was little changed from that recorded during the same period previously despite a 6.3 per cent rise in the turnover to S$22.3m.

UIC also reported an extraordinary gain on the sale of fixed assets amounting to S$427,000.

William Jacks

Discussions which followed the announcement by William Jacks and Co. (Malaya) that it had received an approach from a party interested in acquiring its 50.2 per cent holding of Ordinary shares in William Jacks and Company have now been terminated, the company announced yesterday.

Sweet smell—hard sell

BY COLLEEN TOOMEY

WITH around 600 men's and women's perfumes, colognes and eau de toilettes all jostling for a share in the British market, it is small wonder that manufacturers are fiercely competitive. As one of the fastest growing sectors in the cosmetics and toiletries industry, fragrances are now worth over £100m in annual sales and are expected to increase that figure by 15 per cent this year.

Recognising that money was to be made in this generally lucrative, but volatile, industry some giant companies outside the cosmetics world have dipped in to take a share of the profits. Many have, however, struggled in recent years to break even and only now, after considerable rationalisation and reorganisation in some companies, have losses turned to profits.

"The days of the small, imaginative entrepreneur are over," one perfumerer said. "It's up to the big boys—the multi-nationals, which can afford the gamble, and can afford to invest time and money in the hope of coming up with an ace."

Haarmann and Reimer, a Bayer subsidiary which produces fragrances for the industry believes that this year, manufacturers are "at sea" in their attempts to produce that ace.

So what was a new company called Parfums Roberre, launched six months ago under the Elida Gibbs/Unilever umbrella, thinking of when last week it brought out the first of three new fragrances? Nino Cerruti is a men's fragrance range named after a leading fashion designer in Paris. It is up-market, will initially only be sold in a dozen stores in Britain, and is unlikely to make much more than a dent on the market share list.

So far, Roberre has spent around £200,000 on research, design and initial manufacture. A similar amount has been spent on "theme" advertising. But like any fragrance, Nino Cerruti's success hangs on a thin thread of expert marketing.

Mr. Roy Callow, sales and marketing director of Parfums Roberre with 15 years' experience in Unilever behind him, is confident that the company decision to sell the product as an exclusive, up-market one will pay off. "Success," Mr. Callow says, "depends not so much on launching a wildly exciting product but on packaging and presentation." The prospects for making a successful in-road in the men's market are good: in spite of the centuries-old habit of using perfume, it has been only in the last decade that men have more widely accepted perfumed products, led on probably by the launch of Shulton's Old Spice in the late 1950s.

The comparative newness of mass-marketed men's fragrances is clearly illustrated by the amount spent on advertising. Last year only £2.75m was spent promoting men's products against nearly £6m for women's fragrances. However, a further 45-50 per cent of advertising expenditure goes into special offers and in-store promotions.

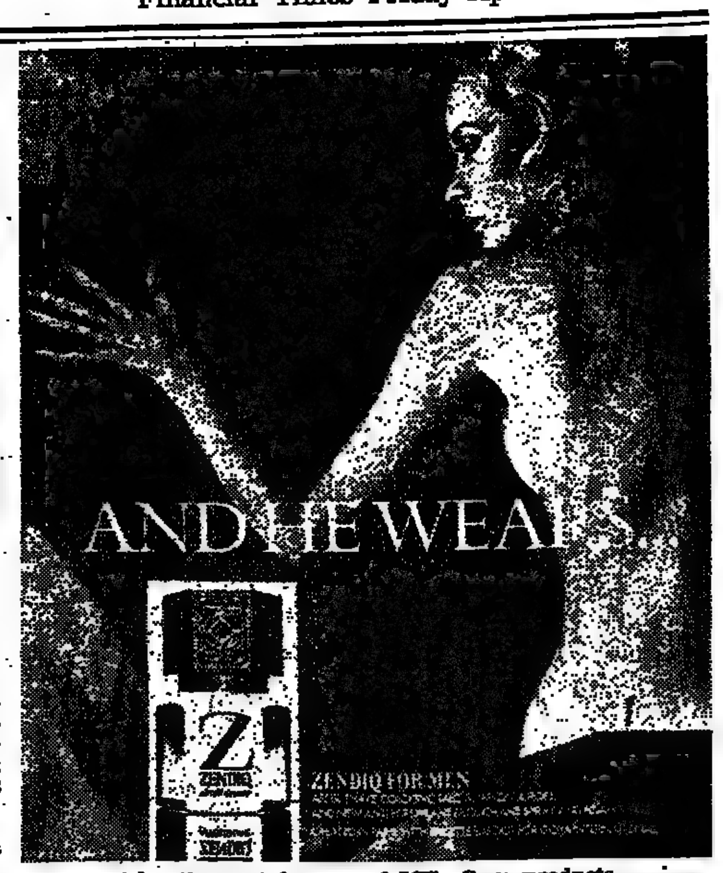
ICI took on Goya's operations almost four years ago from the Christopher Collins family. It cost around £1m and had a turnover of £8m. Sales have subsequently risen to £5m but the company has only just turned the corner after pre-tax losses over the past two years.

BAT Industries' cosmetics division, including the Houses of Yardley, Lentheric, Morny, Cyclax, Juvena, Germaine Monteil and Tavache, manufactures over 3,000 different items in 38 different countries. Its cosmetics companies combined make up the largest British-owned group and outsell any other in the UK, with a turnover in 1977 of £105m.

It was Yardley which sped up the growth of the industry more than a decade ago with its perfume mini-spray innovation. The market was already receptive to new ideas, largely resulting from Avon's door-to-door selling techniques.

Unilever has also taken a stake in the sector. Its Elida Gibbs subsidiary, which makes shampoos, toothpastes, bubble baths, and sun glasses, among other things, focused its attention on the perfume market in 1974 with the launch of a women's range called Stowaway. The following year it launched Denim for men which, according to Mr. Callow, then a marketing executive, has been "violently successful" and is now one of the top three men's fragrances.

A champion of the fragrance industry is Revlon, a U.S. company which in the spring of 1973 launched a new fragrance that took the industry by storm. It was christened Charlie. By the end of last year it was Revlon's biggest contributor to sales and had the lion's share of the market, boosted by the Charlie cosmetics range. Revlon's hunch that Charlie would succeed as a "young-sexy" career-girl product paid off handsomely and produced a spate of imitators, none quite so successful as the Revlon original.



Advertisement for one of ICI's Goya products.

Unilever's Elida Gibbs succeeded with its Stowaway range with almost the opposite approach. Launched in Britain in 1974, Stowaway claimed to be everything Charlie wasn't: escapist, romantic. In its first year the perfume range made a significant contribution to sales. But the product turned out to be ill-conceived.

Stowaway was over-packaged, under-priced and the perfumes were regarded as "mediocre." After a complete overhaul the following year the range was successfully launched in Europe. Since then, Elida Gibbs claims it has 2 per cent of the UK market share, not inconsiderable given the number of fragrances on the market. As a measure of Stowaway's success—and determination not to loosen its grip in the competitive field—the company spends around £400,000 a year advertising the product. Its chief competitors are Avon, with 12 per cent of the UK market for its range of products, followed by BAT's Lentheric, Morny with 10 per cent.

Denim, Elida Gibbs' men's range proved even more successful. From its inception in 1975 the fragrance has increased its market share from 1 per cent to 8 per cent last year (Meal figures). That makes it third in the league behind Faberge's Brut with 24 per cent and Shulton's Old Spice with 15 per cent.

The figures for the last three months of 1978 give a slightly fuller picture. According to a recent IPC survey on cosmetics and toiletries, sales during those crucial months before Christmas put Faberge's Brut first with 48 per cent of the market. Avon with 13 per cent, Shulton's Old Spice with 7 per cent and Elida Gibb's Denim with 6 per cent were other brand leaders.

Those were the successes. But currently there are rumours in the closely-knit industry that four companies are up for sale.

Reports in January that French-owned L'Oreal was negotiating to buy Helena Rubinstein from Colgate-Palmolive were finally quashed when both companies admitted they could not agree on a price. Any sale of Rubinstein in Britain would involve Pfizer's Coty, which merged with Rubinstein last September. Since then a mass exodus of management in both companies has taken place.

The departures following the merger were described by Helena Rubinstein as "purely coincidental." "There are very good people in the industry, the demand for them is great, and the turnover in cosmetics executives is high," a company spokesman said.

Even with the loss of top managers, Rubinstein is confident of turning Coty's pre-tax loss of £404,000 into a profit and of boosting sales from its 1977 level of £10.27m.

The industry appears more confident of the next few years than some analysts. According to one analyst, it will see little growth — either in volume or real terms — for the next two years before reaching a new peak, similar to that of the mid-1970s. Another, however, predicts further growth in sales this year of between 12-15 per cent. Time will tell.

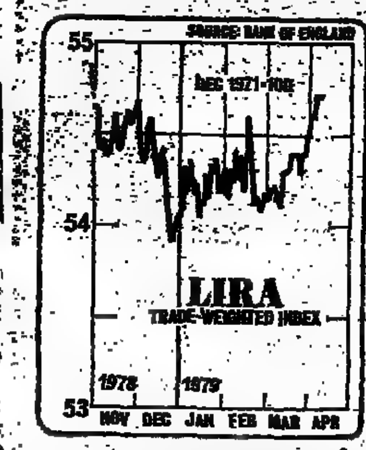
Companies and Markets

CURRENCIES, MONEY AND GOLD

Pound & dollar very strong

The dollar and sterling were very firm in the foreign exchange market yesterday. Trading was quite busy in the afternoon, with the pound rising sharply as the Bank of England appeared to withdraw from the market, apart from the occasional smoothing operation.

Sterling's trade-weighted index, as calculated by the Bank of England, rose to 66.7, equal to



the high touched in February last year. The noon and opening quotations were unchanged from the previous close, at 66.5.

In terms of the dollar, the pound opened at $2.0665-2.0675, and eased to a low point of $2.0660-2.0670, before touching $2.0745-2.0755 in the afternoon, the best level since October last year. It closed at $2.0740-2.0750, a rise of 75 points on the day.

The dollar's trade-weighted index, on Bank of England figures, was unchanged at 85.5, but the U.S. currency rose to DM 1.8870 from DM 1.8825 against the D-mark; to SwFr. 1.7120 from SwFr 1.7055 against the Swiss franc, and to Y215.45 from Y214.60 in terms of the Japanese yen.

The Italian lira remained the strongest member of the European Monetary System, appreciating against its ECU central rate by 1.56 per cent, compared with 1.41 per cent on Wednesday. Since the system began on March 13 the lira has risen by 3.01 per cent against the weakest member, the Belgian franc, compared with 2.83 per cent previously.

The Irish punt eased to $2.0400 from $2.0415 against the dollar, but continued to improve against the D-mark, rising to DM 3.85 from DM 3.8430. The Irish currency also firmed against most other EMS members, rising against the Dutch guilder to Fl 4.1425 from Fl 4.1420, against the Danish krone to DKr 10.68 from DKr 10.67, and against the Belgian franc to BFr 60.85 from BFr 60.80.

Frankfurt—Dollar rose slightly to DM 1.8837 from DM 1.8827 at the fixing. The Bundesbank did not intervene. Sterling improved to DM 3.8970 from DM 3.8930.

Brussels — Dollar rose to BFr 29.8050 from BFr 29.7925, and sterling to BFr 61.6225 from BFr 61.59 at the fixing. The Danish krone remained slightly below its EMS ceiling at BFr 5.6940, compared with BFr 5.6935 at Wednesday's fixing.

Milan—Dollar eased to L841.45 from L842.45 at the fixing. Lira improved against all EMS currencies except the Irish punt.

Tokyo—Trading was calmer than of late, with the dollar rising slightly to Y214.62½ from Y214.42½. There was no sign of central bank intervention.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 5	% change from central rate	Previous % change	Theoretical % divergence limit
Belgian Franc	39.4582	40.0095	−1.45	−1.42	±1.53
Danish Krone	7.08592	7.03378	+0.74	+0.80	±1.635
German D-mark	2.51064	2.53100	−0.80	−0.75	±1.1325
French Franc	5.79831	5.80797	−0.17	−0.20	±1.35
Dutch Guilder	2.72077	2.72633	−0.20	−0.18	±1.5075
Irish Punt	0.662638	0.658828	+0.58	+0.61	±1.665
Italian Lira	1148.15	1130.43	+1.56	+1.41	±4.0725

THE POUND SPOT AND FORWARD

April 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0660-2.0755	2.0740-2.0750	0.28-0.18c pm	1.33	0.57-0.47 pm	1.00
Canada	2.3800-2.3800	2.3885-2.3895	0.20-0.10c pm	0.76	0.35-0.25 pm	0.50
Nethlnd.	4.19-4.22½	4.21-4.22	2-1c pm	4.27	5-4 pm	4.27
Belgium	61.60-61.95	61.80-61.90	25-15c pm	3.88	60-50 pm	3.56
Denmark	10.81-10.88	10.84¾-10.85¾	1½ore pm-½ore dis	0.55	2¼-¼ pm	0.46
Ireland	1.0115-1.0170	1.0152-1.0162	0.05-0.15p dis	−1.18	0.30-0.40dis	−1.38
W. Ger.	3.89-3.92½	3.91¼-3.92¼	2¾-1¾pf pm	5.74	6¾-5¾ pm	5.87
Portugal	99.80-100.60	100.20-100.50	50-110c dis	−9.57	140-260 dis	−7.97
Spain	140.70-141.40	141.25-141.35	20c pm-30c dis	−0.42	25 pm-75dis	−0.71
Italy	1.738-1.745	1.743¾-1.744¾	½lire pm-1½ dis	−0.34	par-2 dis	−0.23
Norway	10.57-10.62	10.60½-10.61½	3¾-1¾ore pm	3.11	7½-5½ pm	2.45
France	8.93-8.98	9.97-8.98	4-3c pm	4.68	9-8 pm	3.79
Sweden	9.03-9.08	9.06¾-9.07¾	2¼-¼ore pm	1.65	5¼-3¼ pm	1.87
Japan	441-449	446¾-447¾	2.75-2.45y pm	6.98	6.95-6.65 pm	6.08
Austria	28.52-28.77	28.68-28.73	20-10gro pm	6.27	50-40 pm	6.27
Switz.	3.51½-3.56	3.54¾-3.55¾	3¾-2¾c pm	10.56	9¾-8¾ pm	10.42

Belgium rate is for convertible francs. Financial franc 62.85-62.95. Six-month forward dollar 0.65-0.60c pm; 12-month 1.10-1.00c pm.

THE DOLLAR SPOT AND FORWARD

April 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0660-2.0755	2.0740-2.0750	0.28-0.18c pm	1.33	0.57-0.47 pm	1.00
Ireland†	2.0375-2.0425	2.0375-2.0425	0.65-0.40c pm	3.38	1.50-1.00 pm	2.45
Canada†	86.70-86.80	86.75-86.80	0.05-0.03c pm	0.55	0.12-0.09 pm	0.48
Nethlnd.	2.0295-2.0315	2.0300-2.0315	0.63-0.53c pm	3.43	1.75-1.65 pm	3.35
Belgium	29.79½-29.84	29.82-29.84	9-6½c pm	3.12	22-20 pm	2.81
Denmark	5.2360-5.2385	5.2360-5.2375	0.05-0.55ore dis	−0.69	0.45-0.95dis	−0.53
W. Ger.	1.8835-1.8865	1.8855-1.8865	0.80-0.70pf pm	4.77	2.40-2.30 pm	4.98
Portugal	48.35-48.55	48.40-48.50	35-60c dis	−10.53	100-165dis	−10.94
Spain	68.10-68.35	68.20-68.30	15-25c dis	−3.52	35-50 dis	−2.49
Italy	841.15-841.80	841.20-841.70	0.70-1.10 lire dis	−1.28	1.90-2.40dis	−1.02
Norway	5.1160-5.1185	5.1170-5.1180	1.10-0.60ore pm	1.99	2.25-1.75 pm	1.56
France	4.3255-4.3280	4.3265-4.3275	1.30-1.20c pm	3.47	3.05-2.85 pm	2.73
Sweden	4.3755-4.3785	4.3770-4.3780	0.50-0.30ore pm	1.10	1.30-1.10 pm	1.10
Japan	214.45-215.45	215.20-215.40	1.05-0.95y pm	5.57	2.70-2.60 pm	4.92
Austria	13.81½-13.84	13.83½-13.84	6½-5½gro pm	5.31	18-16 pm	4.91
Switz.	1.7045-1.7095	1.7085-1.7095	1.40-1.30c pm	9.48	4.15-4.05 pm	9.60

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	13	0.619142	0.650014
U.S. $	9½	1.27989	1.34358
Canadian $	11¼	1.47763	1.55546
Austria Sch.	3¾	Unavail.	18.5548
Belgian F.	6	38.1311	40.0185
Danish K.	8	6.69702	7.02893
D mark	3	2.40965	2.52956
Guilder	6½	2.59690	2.72672
French Fr.	9½	5.53424	5.80963
Lira	10½	1078.31	1131.97
Yen	3½	277.352	288.063
Nrwgn. K	7	6.54856	6.87442
Spanish Pes.	8	87.1119	91.4708
Swedish Kr.	6½	5.59414	5.87708
Swiss Fr.	1	2.18183	2.29040

CURRENCY MOVEMENTS

Apr. 4	Bank of England Index	Morgan Guaranty changes %
Sterling	66.7	−38.0
U.S. dollar	85.5	−8.3
Canadian dollar	82.1	−15.5
Austrian schilling	145.7	+19.0
Belgian franc	114.0	+14.2
Danish kroner	117.4	+6.3
Deutsche Mark	149.4	+44.1
Swiss franc	193.5	+80.4
Guilder	124.9	+20.5
French franc	99.2	−6.4
Lira	54.7	−48.9
Yen	134.8	+35.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 5	£	$		£ Note Rates
Argentina Peso	2397-2417	1155-1165	Austria	28-29
Australia Dollar	1.8640-1.8680	0.8985-0.9004	Belgium	62½-63½
Brazil Cruzeiro	47.15-48.15	22.73-23.21	Denmark	10.79-10.89
Finland Markka	8.27-8.29	3.9865-3.9960	France	8.86-8.98
Greek Drachma	75.426-77.250	36.36-37.24	Germany	3.85-3.95
Hong Kong Dollar	10.3600-10.3750	5.0000-5.0010	Italy	1,715-1,755
Iran Rial	149.38-155.59	72-75	Japan	440-450
Kuwait Dinar (KD)	0.567-0.577	0.2771-0.2772	Netherlands	4.15-4.25
Luxembourg Frc.	61.80-61.90	29.84-29.86	Norway	10.55-10.65
Malaysia Dollar	4.5860-4.5960	2.2105-2.2155	Portugal	95-101
New Zealand Dlr.	1.9655-1.9715	0.9475-0.9505	Spain	139.0-142.0
Saudi Arab. Riyal	6.91-7.01	3.3710-3.3720	Switzerland	3.50-3.60
Singapore Dollar	4.5455-4.5555	2.1911-2.1960	United States	2.0625-2.0725
Sth. African Rand	1.7450-1.7550	0.8410-0.8460	Yugoslavia	39½-43

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Apr. 5	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.075	3.918	447.3	8.975	3.553	4.218	1744.	2.389	61.85
U.S. Dollar	0.482	1.	1.888	215.5	4.326	1.712	2.032	840.5	1.152	29.81
Deutschemark	0.255	0.530	1.	114.2	2.291	0.907	1.076	445.2	0.610	15.79
Japanese Yen 1,000	2.236	4.638	8.759	1000.	20.07	7.943	9.424	3900.	5.342	138.3
French Franc 10	1.114	2.311	4.365	498.5	10.	3.958	4.698	1943.	2.662	68.91
Swiss Franc	0.281	0.584	1.103	125.9	2.526	1.	1.186	491.0	0.672	17.41
Dutch Guilder	0.237	0.492	0.929	106.1	2.129	0.843	1.	413.8	0.567	14.67
Italian Lira 1,000	0.573	1.189	2.246	256.4	5.145	2.037	2.417	1000.	1.370	35.46
Canadian Dollar	0.419	0.868	1.640	187.2	3.757	1.487	1.764	730.1	1.	25.89
Belgian Franc 100	1.617	3.354	6.334	723.1	14.51	5.744	6.815	2820.	3.863	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.10-10.20 per cent; three months 10.25-10.35 per cent; six months 10.45-10.55 per cent; one year 10.30-10.40 per cent.

Apr. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	10⅞-11⅛	10-10¼	9½-10½	7¼-7½	¼-⅜	5-5½	8½-8¾	7-10	—	[illegible]
7 day's notice	11-11¼	10⅛-10⅜	9½-10½	5¾-6	¼-⅜	5-5½	6⅝-6⅞	10-11	9⅞-10⅛	[illegible]
Month	11⅜-11⅝	10⅛-10⅜	10⅛-10⅜	6⅝-6⅞	[illegible]	5¼-5⅜	6⅞-7⅛	10½-11½	10⅛-10⅜	[illegible]
Three months	11⅜-11⅝	10⅜-10⅝	10⅝-11	6⅞-7⅛	[illegible]	5½-5⅝	7⅝-7⅞	11½-12¼	10⅜-10⅝	[illegible]
Six months	11⅜-11⅝	10½-10¾	10⅝-11	7-7¼	1⅛-1⅜	5½-5⅝	8¼-8½	11⅝-12¾	10⅜-10⅝	[illegible]
One year	10⅞-10⅝	10⅜-10⅝	10⅝-10⅞	7⅛-7⅜	1⅛-1⅜	5⅝-5⅞	8⅞-9⅛	12¼-13¼	10½-10⅝	[illegible]

Long-term Eurodollar deposits: two years 10⅛-10⅜ per cent; three years 10-10⅜ per cent; four years 10-10⅜ per cent; five years 9[illegible]-10[illegible] per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL CAPITAL MARKETS

Milan rates easier

*Interest rates showed an easier trend in Milan yesterday, and with the exception of call money, which remained offered at 10¾ per cent, period rates were quoted ¼ per cent lower. The one-month rate fell to 11⅛ per cent from 11⅜ per cent, the two month rate stood at 11⅜ per cent compared with 11⅝ per cent previously and three-month money eased to 11⅝ per cent from 11¾ per cent.

FRANKFURT—Interest rates showed a firmer tendency where changed with call-money rising to 5.40-5.45 per cent from 5.25-5.35 per cent on Wednesday. One-month money was also firmer at 5.35-5.40 per cent against 5.25-5.35 per cent while the three-month rate remained at 5.40-5.50 per cent. Six-month money rose to 5.80-5.90 per cent from 5.60-5.70 per cent and 12-month money was unchanged at 5.80-6.00 per cent.

NEW YORK—Continued heavy demand for bills left the market somewhat short of paper with keen interest in the shorter end. 13-week Treasury bills were quoted at 9.43 per cent with 26-week bills at 9.27 per cent. Federal funds traded steadily in the region of 9⅞-10⅛ per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were quoted at 7⅛-7½ per cent for one-month compared with 7¼-7½ per cent on Wednesday and 7⅞-8 per cent against 7¾-8 per cent for three-month deposits. The six-month rate stood at 8⅛-8¾ per cent from 8-8¼ per cent, with 12-month deposits unchanged at 8¼-8¾ per cent.

AMSTERDAM—Interbank money market rates showed very little change yesterday and call money, one and three-month money were all quoted at 7¼-7½ per cent, unchanged from previously. The six-month rate was also steady at 7½-7¾ per cent.

PARIS—Money market rates were steady throughout from call money at 6¾ per cent through to 12-month money at 7⅞-7⅞ per cent.

GOLD

Firmer trend

Gold rose $2 to close at $240¼-241¼, the highest level of the day. It opened at $240¼-241, and was fixed at $240.50 in the morning and at $240.65 in the afternoon. The krugerrand's premium over its gold content narrowed to 8.45 per cent from 8.94 per cent for domestic delivery, and to 3.05 per cent from 3.40 per cent in the international market.

In Paris the 12½ kilo gold bar was fixed at FFr 33,675 per kilo ($242.11 per ounce) in the morning, compared with FFr 33,550 ($241.33) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,610 per kilo ($241.23 per ounce) compared with DM 14,540 ($240.20) previously.

	Apr. 5	Apr. 4
Gold Bullion (fine ounce)		
Close	$240¼-241½ (£116.0-116.5)	$238¾-239½ (£115.5-115.8)
Opening	$240¼-241 (£116.3-116.6)	$239-239¾ (£115.7-116.1)
Morning fixing	$240.50 (£116.341)	$239.80 (£116.047)
Afternoon fixing	$240.65 (£116.312)	$239.75 (£116.017)
Gold Coins, domestically		
Krugerrand	$259½-263½ (£125-127)	$258½-262½ (£125-127)
New Sovereigns	$67½-69½ (£32½-33½)	$67¼-69¼ (£32½-33½)
Old Sovereigns	$73½-75½ (£35½-36½)	$73-75 (£35¼-36¼)
Gold Coins, internationally		
Krugerrand	$247½-249½ (£118¾-120¾)	$246¼-248¼ (£119-120)
New Sovereigns	$62¼-64¼ (£30-31)	$62¼-64¼ (£30-31)
Old Sovereigns	$73½-75½ (£35½-36½)	$73-75 (£35¼-36¼)
$20 Eagles	$317-322	$316½-321½
$10 Eagles	$180-185	$182-187
$5 Eagles	$119-124	$121-126

UK MONEY MARKET

Minimum Lending rate 12%

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

The Bank of England reduced MLR to 12 per cent from 13 per cent yesterday, partly in an attempt to relieve the upward pressure on sterling in the foreign exchange market. Yesterday's move represented the third change this year in the rate, having started the new year at 12½ per cent. Discount houses buying rates for three-month Treasury bills were quoted at 11-11⅛ per cent indicating an MLR of 11¾ per cent under the old formula.

Day to day credit remained in plentiful supply in the money market, and the authorities sold a large amount of Treasury bills all direct to the discount houses to absorb the surplus. Houses were paying up to 12 per cent for secured call loans at the start but closing balances were taken more in the region of 7-9½ per cent. The market was faced with a small net take up of Treasury bills to finance, although this was outweighed by a moderate excess of Government disbursements over revenue transfers to the Exchequer and a small decrease in the note circulation. In addition, banks brought forward balances a fairly large way above target.

*In the interbank market overnight loans opened at 11-11¼ per cent and eased to 9-9¼ per cent before briefly touching 9½-9¾ per cent and subsiding away to 3-4 per cent. Closing balances were taken in the region of 6 per cent. Rates on the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 5 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	3-11¼	—	—	—	11¼	7-12	—	—	—
2 days notice	—	—	11⅛-11¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11-11¼	11⅝-12	—	11⅞	11½	10¾-11¼	—	—	—
One month	11¾-11⅝	11⅝-11½	11⅝-11¾	12-12¼	11⅞	12	11¼	11⅛	11⅛-11⅜	12⅛
Two months	11⅝-11⅝	11⅜-11½	—	11⅞-12⅛	11⅞	—	11¼	11⅛-11¼	11⅛-11⅜	12⅛
Three months	11⅝-11¼	11⅜-11½	11½-11¾	11⅝-11⅞	11⅞	12	11	11-11⅛	11⅛-11⅜	12⅛
Six months	11⅛-10⅞	11⅛-11⅜	11-11¼	10¾	11⅝	—	—	—	10½-10⅝	11½
Nine months	11-10⅞	10⅞-11⅛	—	10¾-11	11½	—	—	—	—	—
One year	10⅞-10⅝	10⅞-10⅞	10¾-11	10¾-11	11⅜	—	—	—	—	—
Two years	—	—	11⅛-11¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 11¾-11½ per cent; four years 11½-11¾ per cent; five years 11¾-12 per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10¾-10[illegible] per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11[illegible] per cent; two-month 11-11⅛ per cent; three month 10[illegible]-11 per cent. Approximate selling rate for one-month bank bills 11[illegible]-11⅜ per cent; two-month 11[illegible]-11¼ per cent; and three-month 11-11⅛ per cent; one-month trade bills 11¾ per cent; two-month 11¾ per cent; and three-month 11¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.4397 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.0625
Treasury Bills (13-week)	9.43
Treasury Bills (26-week)	9.27

GERMANY

Discount Rate	4
Overnight Rate	5.425
One month	5.375
Three months	5.45
Six months	5.85

FRANCE

Discount Rate	9.5
Overnight Rate	6.5
One month	6.75
Three months	7
Six months	7.3125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.6875
Bills Discount Rate	4.875

Further Wall St. rise of 4.5 at mid-session

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—53¾% (55¼%)
Effective $2.0745 22⅝% (23⅛%)

IN REDUCED but still active trading, Wall Street managed a fresh improvement yesterday morning, with some further institutional buying taking place.

The Dow Jones Industrial Average was 4.51 higher at 874.31 at 1 p.m., while the NYSE All Common Index moved ahead 21 cents to $57.92 and gains outscored declining issues by about a seven-to-five margin. Turnover amounted to 22.59m shares, compared with the previous day's heavy 1 p.m. volume of 29.14m.

Closing prices and market reports were not available for this edition.

Analysts said investors were impressed by the market's ability to ignore negative news.

The Labour Department reported that wholesale prices rose by 1 per cent in March, the *same as February rise.*

The market was also managing to overcome concern about the impact of the nationwide trucking strike-lockout, but analysts added that caution ahead of President Carter's energy message and the weekly banking figures could trig gains later in the day.

A number of Glamour and Blue Chip issues gained ground, as did some Gold, Chemical, Gaming, Retail, Petroleum, Com*puter, Aircraft and* Transportation shares. However, Motor, Utility, Copper, Steel and Aluminium issues displayed an easier bias.

Many of the most active issues were lower. Volume leader **General Public Utilities** lost ⅛ to $14¼.

Fairchild Camera receded 2½ to $39¼. The company has periodically denied take-over rumours.

AM International, which has predicted a fall in fiscal third-quarter net profits, declined ⅛ to $15⅞.

Among Retailers, **F. W. Woolworth** gained ⅜ to $24½ in active trading, while **K Mart** put on ⅜ to $25⅜ and **J. C. Penney** ¼ to $29¼, but **Sears Roebuck** were unchanged at $20⅞.

Among Petroleum issues, **Exxon** added ¼ at $53⅝, **Atlantic Richfield** ⅜ at $63⅝ and **Superior Oil** $8 at $375. President Carter *was expected to announce phased* deregulation of domestic oil prices in his energy message to be made that evening.

THE AMERICAN SE Market Value Index scored a further *advance of 1.53 at 182.18 at 1 pm* on decreased volume of 3.00m shares (3.61m).

Oils were also strong on the Amex. *Petro-Lewis topped the* actives list and rose ⅞ to $15¼, while **McCulloch Oil** put on ⅛ to $6¼, **Canadian Superior** 2½ to $99¼ and **Dome Petroleum** 1½ to $113⅞.

Resorts International "A" advanced 1¼ to *$49⅞ on news that* its March net winnings at its Atlantic City hotel/casino were 25 *per cent up from the February* level.

Canada

Shares on Canadian Markets tended to move higher in fairly *busy early trading.*

The Toronto Composite Index put on a further 4.5 to 1,470.1 at noon, while Oils and Gas strengthened 15.1 to 2,228.6 on index. Golds gained 3.2 to 1,569.9, while in Montreal. Banks moved ahead 4.01 to *310.78 and Utilities* 0.52 to 218.15, but Papers declined 0.25 to 159.82.

Among Oils, **Shell Canada** hardened ¼ to C$19¾. **Texaco Canada** ½ to C$57¼ and **Gulf Canada** ⅜ to C$48.

Hudson's Bay was the most active Toronto Industrial, up ⅜ to C$33⅜ on 85,850 shares.

Inco were off ¼ to *C$23¼*, but **Transcanada Pipe** gained ¼ to C$19⅞.

Bank of Montreal rose ⅛ to C$25¼, **Royal Bank** ⅜ to C$40⅝ and **Canadian Imperial Bank** ⅛ to C$27¼.

Tokyo

With investors continuing to make selective purchases after *the market's recent widespread* setback, stocks again finished on a mixed note after a fair turnover.

The Nikkei-Dow Jones Average recouped 9.82 more to 6,049.00 and the Tokyo SE index hardened *0.48 to 441.91, although* losses outnumbered rises on the First Market section by 335 to 268.

Export-orientated issues continued to find favour on consideration of the recent dollar appreciation against the yen. *Matsushita* **Electric** moved ahead Y8 to Y678, **Sony** Y60 to Y1,870, **Pioneer Electronic** Y40 to Y2,290, **Canon** Y3 *to* Y576, and **Honda Motors** Y9 to Y504.

Some Steels and Heavy Electricals attracted "cheap" buying, while Oils, Coals and Non-ferrous Metals also improved.

Nippon Oil featured with an advance of Y54 to Y907, while **Nippon Steel** gained Y2 to Y124, **C. Itoh** Y15 to Y282, **Chinon** Y13 to Y405 and **JAL** Y30 to Y2,890.

Amsterdam

Mainly narrow irregular movements occurred in moderate *activity, although* **VMF Stork** advanced Fl 4.40 following a reduced loss for 1978.

Van Ommeren shed Fl 1 ahead of an announcement of a second-half improvement.

State Loans were easier inclined.

Germany

Share prices closed mixed to *lower after generally listless* trading, with the market apparently not impressed by favourable economic data, released Wednesday and yesterday. The Commerzbank index eased 1.4 to 785.1 after rallying 7.8 over the past two days.

The maket seemed to have shrugged off the good news of a *sharp reduction* in unemployment in West Germany in March and a higher inflow of industrial orders in February, brokers commented.

Dresdner Bank, which recorded higher parent company 1978 net profits and announced an *un*changed dividend, lost 40 pfennigs, but **Linde**, which had higher *1978 domestic group* net profits, gained DM 1.

Bayerische Hypotheken und Wechsel-Bank, which said it had lower 1978 group net profits, shed 50 pfennigs. **Degussa** receded DM 3.80, but **Schering** hardened DM 1.30.

On the Bond market, Public Authority issues were mixed, *showing gains of* up to 20 *pfennigs* and losses extending to 30 pfennigs. Bundesbank open market sales and purchases of stock were balanced in Frankfurt after sales of DM 13.8m on Wednesday. Mark Foreign Loans tended easier.

Australia

Markets retained a bias to lower levels in subdued trading.

BHP, however, after an early fresh reaction to A$11.40, advanced to A$11.65 for a gain of 15 cents on the day in response to news that the company has found oil traces in the Fortescue No. 4 test well in the Bass Strait.

In Stores, **Myer** *slipped 5 cents* to A$1.70.

Kelvinator relinquished 8 cents *to A$1.82, after Wednesday's ad*vance of 20 cents on Email's intention to bid for the outstanding shares. **Email** were 3 cents lower at 92 cents.

Sidney Cooke, up *43 cents the* previous day on take-over speculation, shed 5 cents to A$1.85.

Among Uraniums, **Pancontinental** lost 20 cents to A$10.70, but **Peko-Wallsend** gained 6 cents to A$5.40.

Elsewhere in Minings, **Consolidated Goldfields** lost 4 cents *more to A$3.68 and Oakbridge* 3 cents to A$1.39, but **CRA** improved 5 cents to A$3.55 and **Bougainville** 3 cents to A$1.95.

Hong Kong

Market was *closed* yesterday for the Ching Ming Festival holiday.

Milan

The downward trend continued in thin trading.

Italsider declined 8 more to L390 on news of a further loss in 1978, while **Snia Viscosa**, which recently announced a deficit for last year, retreated 30 to L850.

Paris

The market took Wednesday's late firming trend a good stage further in active dealings as operators settled their positions ahead of the next monthly trading account, which begins today.

Brokers said sentiment *remained buoyed* by the announcement on Wednesday by the French Government of a FFr 5.8bn investment incentive package for French industry.

Gains predominated in all sectors apart from Foods, Metals and Chemicals.

One of the star performers of the session was **Rhone-Poulenc**, *the chemical group*, which rose 9.1 to FFr 116 on news of almost quadrupled net consolidated earnings for last year.

Also strong were **Priceł, Auxiliaire d'Entreprises, Buoygues, Creusot-Loire, Penarroya, Imetal, Poclain, Hachette, Signaux, Paribas, UTA, Skis Rossignol** and **Michelin**.

Closing lower against the general trend were **Locafrance, Beghin, UIS, Saona** and **Generale Des Eaux**.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
▼ Pts 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f France. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n France including Unilec div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Apr. 4	Apr. 5
[illegible]		

Stock	Apr. 4	Apr. 5
Consol Nat. Gas..	40⅛	39¾
Consumer Power	22¾	22⅝
ContinentalGr'up	28⅝	28½
Continental Oil..	34¼	34
Continental Tele	16⅝	16⅛
Control Data	34½	34½
Cooper Indus	46⅝	46⅝

Stock	Apr. 4	Apr. 5
Inco	20⅛	20
Intl. Paper	45⅞	45⅞
Intl. Rectifier	13⅛	12
Intl. Tel & Tel	29⅛	29⅛
Iowa Beef	44¼	44⅝
IU International	11⅛	10¾
Jim Walter	31⅛	31⅝

Stock	Apr. 4	Apr. 5
Purex	15⅞	15⅝
Quaker Oats	24¼	24½
Rapid American.	15⅛	15⅜
Raytheon	46	45½
RCA	27½	26⅞
Republic Steel	27⅝	26¾
Resorts Intl	48½	50⅝

Stock	Apr. 4	Apr. 5
Revlon	49⅛	49¼
Reynolds Metals	38	37⅝
Reynolds R.J.	58⅛	58⅛
Rich'son Merrell	23⅛	23¼
Rockwell Inter	39¾	40⅛
Rohm & Haas	37⅝	37⅛
Royal Dutch	67⅞	68
RTE	10⅝	10⅝
Ross Togs	10¼	10
[illegible]		
Warner-Lambert	24	24¼
Waste-Man'ment	29¼	28⅝
Wells-Fargo	28½	28⅜
Western Bancorp	25¼	25⅞
Western N.Amer.	29½	29¼
Western Union	18⅞	19½
Westing'he Elec.	19	19
Weyerhaeuser	31¾	31½
Whirlpool	19¼	18¾
White Con. Ind	21⅝	21½
William Co.	19⅛	19⅜
Wsconsin Elect.	26⅛	25⅞

Stock	Apr. 4	Apr. 5
Woolworth	24⅛	23⅝
Wyly	5⅝	5½
Xerox	58⅝	59⅝
Zapata	17	17
Zenith Radio	15⅛	15¼
U.S. Treas.4%'80	†95⅝	†95⅝
USTreas4¼%75/85	†80⅞	†80½
U.S. 90-day bills.	9.46%	9.50%

CANADA

Stock	Apr. 4	Apr. 5
[illegible]		
Texaco Canada	56¾	57
Toronto Dom.Bk.	22½	22⅝
TransCanPipeLn	19⅝	19¾
TransMount Pipe	10⅛	10¼
Trizec	†19	†19
Union Gas	10⅞	10¾
UntdSiscoe Mines	9¾	9⅞
Walker Hiram	45⅝	45½
West Coast Trans	13¼	13⅛
Weston (Geo.)	23⅜	23⅞

† Bid. ‡ Asked. § Traded. ¶ New stock.

GERMANY ◆

Apr. 5	Price DM.	+ or —	Div. %	Yld. %
AEG	64.8	—0.5	—	—
Allianz Versich.	462		31.2	3.4
BMW	229.6	—0.5	28.12	6.1
BASF	137.2	—0.4	18.75	6.9
[illegible]				

TOKYO ¶

Apr. 5	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	349	+4	14	2.0
Canon	576	+3	12	1.0
Casio	890	+5	25	1.5
Chinon	405	+13	20	2.5
Dai NipponPrint	570		18	1.6
[illegible]				

Source Nikko Securities, Tokyo

AMSTERDAM

Apr. 5	Price Fls.	+ or —	Div. %	Yld. %
[illegible]				

BRUSSELS/LUXEMBOURG

Apr. 5	Price Frs.	+ or —	Div. Net	Yld. %
[illegible]				

COPENHAGEN ♣

Apr. 5	Price Kroner	+ or —	Div. %	Yld. %
[illegible]				

VIENNA

Apr. 5	Price %	+ or —	Div. %	Yld. %
[illegible]				

SWITZERLAND ♦

Apr. 5	Price Frs.	+ or —	Div. %	Yld. %
[illegible]				

MILAN

Apr. 5	Price Lire	+ or —	Div. Lire	Yld. %
[illegible]				

Indices

NEW YORK —DOW JONES

	Apr. 4	Apr. 3	April 2	Mar. 30	Mar. 29	Mar. 28	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	869.80	868.33	855.25	862.18	866.77	868.25	869.80 (4/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.62	84.69	84.61	84.59	84.62	84.68	85.90 (2/2)	84.09 (15/1)	—	—
Transport.	231.55	230.18	225.56	225.17	224.19	223.30	231.55 (4/4)	205.78 (27/2)	279.88 (7/2/69)	12.25 (8/7/32)
Utilities	104.84	104.13	103.52	104.19	104.63	104.77	104.91 (31/1)	99.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	41,940	33,530	29,040	39,140	28,520	39,320	—	—	—	—

◆ Day's high 878.38 low 867.12

	Mar. 30	Mar. 23	Mar. 15	Year ago (approx)
Ind. div. yield %	5.74	5.75	5.80	6.16

STANDARD AND POORS

	Apr. 4	Apr. 3	April 2	Mar. 30	Mar. 29	Mar. 28	1979 High	1979 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	114.65	114.37	112.61	113.36	113.91	114.05	116.69 (8/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	102.65	102.40	100.90	101.59	102.03	102.12	102.65 (4/4)	96.13 (27/2)	125.85 (11/1/6)	4.40 (1/6/32)

	Mar. 30	Mar. 28	Mar. 21	Year ago (approx)
Ind. div. yield %	5.74	4.99	5.03	5.46
Ind. P/E Ratio	8.44	8.66	8.58	8.48
Long Gov. Bond Yield	9.02	8.98	9.02	8.15

N.Y.S.E. ALL COMMON

Apr. 4	Apr. 3	April 2	Mar. 30	1979 High	1979 Low
57.71	57.55	56.73	57.13	57.71 (4/4)	53.88 (27/3)

Rises and Falls	Apr. 4	April 3	April 2
Issues Traded	1,919	1,909	1,885
Rises	915	1,161	430
Falls	595	358	1049
Unchanged	409	390	406
New Highs	106	66	54
New Lows	14	16	31

MONTREAL	Apr. 4	Apr. 3	April 2	Mar. 30	1979 High	1979 Low
Industrial	247.80	247.51	245.98	248.20	250.91 (27/3)	219.18 (2/1)
Combined	249.17	249.14	248.57	249.07	249.81 (26/3)	225.88 (2/1)
TORONTO Composite	1465.6	1462.2	1451.3	1,466.4	1467.17 (29/3)	1315.8 (2/1)
JOHANNESBURG Gold	253.9	256.5	261.9	264.8	280.7 (7/2)	247.0 (19/1)
JOHANNESBURG Industrial	322.9	320.5	318.0	318.0	322.9 (4/4)	270.5 (2/1)

		Apr. 5	Previous	1979 High	1979 Low
Australia	(¶)	560.88	561.52	597.68 (19/3)	545.72 (2/1)
Belgium	(‖)	106.45	106.45	106.45 (4/4)	98.80 (3/1)
Denmark	(**)	94.98	94.71	96.31 (2/4)	88.32 (8/1)
France	(††)	(u)	76.4	79.4 (15/1)	71.5 (15/2)
Germany	(‡‡)	785.1	786.5	839.6 (16/1)	774.2 (26/3)
Holland	(§§)	77.5	77.4	85.9 (24/1)	75.5 (21/3)
Hong Kong	(¶¶)	(c)	519.44	568.90 (5/2)	493.83 (2/1)
Italy	(‖‖)	73.81	74.14	78.46 (26/3)	66.38 (2/1)
Japan	(a)	441.91	441.43	462.97 (31/1)	441.41 (3/4)
Singapore	(b)	379.19	375.40	379.19 (5/4)	346.34 (23/2)

		Apr. 5	Previous	1979 High	1979 Low
Spain	(d)	108.72	108.52	111.88 (8/3)	95.03 (12/1)
Sweden	(e)	389.36	386.55	401.34 (6/2)	362.05 (2/1)
Switzerld	(f)	317.8	318.6	321.6 (30/3)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 *Utilities, 40 Finance and 20 Transport.* ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. *a Tokyo New SE 4/1/68. b Straits Times 1966.* c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Gen. Public Util.	887,800	14⅝	— ⅛
Wstnghse. Elec.	642,100	19⅝	+ ⅛
Macmillan	551,100	17⅝	+ ⅛
Gulf Oil	531,100	27	+ ⅛
Citizens Realty	377,500	1⅞	+ ⅛
Texaco	341,500	28⅝	+ ⅛
General Motors	306,500	58⅝	+ ⅛
Gould	291,200	25⅞	+ ⅛
Texas Util.	280,000	19⅝	+ ⅛
Amer. Tel. & Tel.	278,800	61⅝	+ ⅛

AUSTRALIA

Apr. 5	Aust. $	+ or —
ACMIL (25 cents)	†0.66	
Acrow Australia	†1.05	+0.01
AMATIL $1	†2.40	
Ampol Exploration	†1.60	
Ampol Petroleum	†0.72	
[illegible]		

STOCKHOLM

Apr. 5	Price Kroner	+ or —	Div. Kr.	Yld. %
AGA AB (Kr. 40)	190	—2	6	3.1
Alfa Laval(Kr.50)	131	—4	6	4.6
ASEA(Kr.50)	67		5	7.5
Atlas Cop. Kr25	103	—2	7	6.8
Billerud	55	—2	—	—
Bofors	120	—1	5	4.1
[illegible]				

OSLO

Apr. 5	Price Kroner	+ or —	Div. %	Yld. %
[illegible]				

JOHANNESBURG

April 5	Rand	+ or —
[illegible]		

Financial Rand U.S.$0.78¾
(Discount of 33.6%)

PARIS

Apr. 5	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]				

BRAZIL

Apr. 5	Price Cruz	+ or —	Cruz Div.	Yld. %
[illegible]				

Source: Rio de Janeiro SE.

SPAIN ▼

April 5	Per cent	+ or —
[illegible]		

EUROPEAN OPTIONS EXCHANGE

Series			April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	C	F.354.20	2	11.70	—	—	—	—	F.366
ABN	C	F.364.20	5	2.50	—	—	—	—	"
AKZ	C	F.25	—	—	2	5.50	—	—	F.30
AKZ	C	F.27.50	2	2.60	4	3.20	3	4.70	"
AKZ	C	F.30	31	0.60	28	1.80	—	—	"
AKZ	C	F.32.50	—	—	11	1	20	1.60	"
AKZ	C	F.35	—	—	—	—	10	1	"
AKZ	P	F.30	2	0.80	—	—	—	—	"
CSF	C	F.360	—	—	3	45	—	—	F.396
CSF	C	F.400	—	—	—	—	6	20	"
EK	C	$50	1	16	—	—	—	—	$65½
EK	C	$60	2	5½	—	—	—	—	"
HO	C	F32.50	3	0.50	5	1.70	15	2.90	F.31.60
HO	C	F35	—	—	—	—	16	1.60	"
IBM	C	$320	9	4¼	1	15⅛	—	—	$317⅝
KLM	C	F.100	16	5	10	10	8	11	F.104.50
KLM	C	F.110	20	1	16	4.80	28	7.40	"
KLM	C	F.120	—	—	28	2.30	43	3.60	"
KLM	C	F.130	—	—	5	1	—	—	"
KLM	P	F.100	—	—	—	—	2	3.50	"
KLM	P	F.110	—	—	5	6.50	5	8.80	"
NN	C	F.110	—	—	4	3.50	—	—	F.110.30
PHI	C	F.22.50	25	2	10	2.30	5	2.40	F.24.40
PHI	C	F.25	3	0.50	43	0.70	197	1.30	"
PHI	P	F.25	—	—	—	—	40	1.50	"
PRD	C	$50	—	—	25	⅞	—	—	$39
PSA	C	F.440	—	—	2	7	—	—	F.384
RD	C	F.125	10	18.20	5	17.80	—	—	F.138.50
RD	C	F.130	38	8.20	—	—	2	8.50	"
RD	C	F.135	31	3.20	44	4	10	5	"
RD	C	F.140	55	0.80	16	1.80	23	2.90	"
RD	P	F.135	—	—	10	3	—	—	"
UNI	C	F.130	10	0.90	2	1.90	1	2.50	F.128.70
			May		Aug.		Nov.		
SLB	C	$110	1	2	—	—	—	—	$105⅝

TOTAL VOLUME IN CONTRACTS 977

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank .... 13 %
Allied Irish Banks Ltd. 13 %
Amro Bank .... 12 %
American Express Bk. 13 %
A P Bank Ltd. .... 13 %
Henry Ansbacher ...... 12 %
Associates Cap. Corp.... 14 %
Banco de Bilbao ...... 13 %
Bank of Credit & Cmce. 12 %
Bank of Cyprus .... 13 %
Bank of N.S.W. .... 13 %
Banque Belge Ltd....... 13 %
Banque du Rhone et de la Tamise S.A. 12½%
Barclays Bank .... 12 %
Bremar Holdings Ltd. 14 %
Brit. Bank of Mid. East 13 %
Brown Shipley .... 12 %
Canada Perm't Trust... 12 %
Cayzer Ltd. .... 13 %
Cedar Holdings .... 13 %
■ Charterhouse Japhet... 12½%
Choulartons .... 13 %
C. E. Coates .... 13 %
Consolidated Credits... 13 %
Co-operative Bank ......*12 %
Corinthian Securities... 12 %
Credit Lyonnais .... 13 %
The Cyprus Popular Bk. 13 %
Duncan Lawrie .... 13 %
Eagil Trust .... 12 %
English Transcont. ... 12½%
First Nat. Fin. Corp. ... 15 %
First Nat. Secs. Ltd. ... 14 %
■ Antony Gibbs .... 13 %
Greyhound Guaranty... 13 %
Grindlays Bank ....‡12 %
■ Guinness Mahon ...... 13 %
■ Hambros Bank .... 12 %
■ Hill Samuel ....§13 %
C. Hoare & Co. ....†13 %
Julian S. Hodge .... 13 %
Hongkong & Shanghai 12 %
Industrial Bk. of Scot. 12½%
Keyser Ullmann .... 13 %
Knowsley & Co. Ltd.... 14½%
Lloyds Bank .... 12 %
London Mercantile ... 13 %
Edward Manson & Co. 14 %
Midland Bank .... 12 %
■ Samuel Montagu ...... 13 %
■ Morgan Grenfell ...... 12 %
National Westminster 12 %
Norwich General Trust 13 %
P. S. Refson & Co. ... 13 %
Rossminster .... 13 %
Royal Bk. Canada Tst. 13 %
Schlesinger Limited ... 12 %
E. S. Schwab .... 13 %
Security Trust Co. Ltd. 14 %
Shenley Trust............ 15 %
Standard Chartered ... 12 %
Trade Dev. Bank ...... 13 %
Trustee Savings Bank 12 %
Twentieth Century Bk. 13 %
United Bank of Kuwait 12 %
Whiteaway Laidlaw ... 13½%
Williams & Glyn's ...... 12 %
Yorkshire Bank .... 12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 11%, and over £25,000 11¼%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 11%.

مكتبة الأهرام

COMMODITIES and AGRICULTURE

هكذا من الأصل

S. Africa expects big citrus crop

By Bernard Simon in Johannesburg

WITH THIS season's citrus exports having just started, the South African Citrus Exchange has announced that exports are likely to reach a record level of 434,550 tonnes, slightly higher than last season's 420,915 tonnes.

According to the exchange, the current crop is estimated at 671,865 tonnes, compared with just under 660,000 tonnes last season. Gross proceeds from the crop should be higher than the R179m realised last year.

Orange exports, estimated at 341,040 tonnes, will be only slightly higher than last year's shipments, but grapefruit and lemon sales will be up by between 6 and 7 per cent. Mr. Ray Huptfleissh, the Citrus Exchange's commercial manager said yesterday that the quality of fruit is good, but that the dry summer in the producing areas has meant that fruit sizes could be slightly smaller than in 1978.

Mr. Hauptfleisch said he expects a good start for orange sales in Europe following adverse weather conditions in competitive producing countries, especially the U.S. Britain is the most important market for South African citrus, accounting for about a quarter of total shipments. Other major destinations are Germany, France and the Middle East.

Wool handlers dispute settled

SYDNEY — The dispute at Wooldumpers (NSW) which has delayed the shipment of 14,000 bales of wool, has been settled, wool trade sources said here yesterday.

A meeting of storemen and packers agreed to lift restrictions on handling high density 450 kilo jumbo bales next Monday and to resume handling conventional bales banded into two-bale units on Tuesday after an inspection by an industrial commissioner.

The dispute held up shipment of about 4,250 bales for Japan, about 3,000 for the USSR and nearly 7,000 for Western Europe.

Prices were mixed at yesterday's Goulburn sale, with finer wools up to 2.5 per cent dearer and medium types up to 2.5 per cent cheaper.

Reuter

Supply threat lifts copper

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES jumped on the London Metal Exchange yesterday as buying interest in an oversold market emphasised the tight supply position.

Cash wirebars gained £32 to £1,031 a tonne, only £2 above the three months' quotation. Cash cathodes, up by £31.5 to £1,034 moved to a premium over three months for the first time since the last boom in the copper market during 1974.

Dwindling warehouse stocks, as a result of a series of supply setbacks, have created a near shortage of copper, especially good brands, available to the market. This has reduced the gap between the cash and three months price to far below what it should be in normal market conditions at present interest rates.

Uncertainty about a new threat to copper supplies — a possible strike at Noranda's giant Canadian Copper Refinery — dominated market movements. Early rumours that Refinery workers on the night shift had walked out were firmly denied by Noranda.

Later it was reported that negotiations were continuing with union representatives at the Refinery and Noranda Metal Industries.

It was also expected that a new wage offer would be made to workers at the Gaspe mine, who have been on strike since October.

Meanwhile in Ontario, mediators said they saw no end yet to the strike at International Nickel's Sudbury complex, which produces the bulk of the group's nickel output and also all its output of copper and other by-product metals.

Meanwhile in Zambia Roan Consolidated Mines, one of the two big copper producers, said it is to close one of its five tankhouses at the Ndola refinery to help to save costs.

The closure means the loss of more than 200 jobs—nearly a third of the refinery's workforce.

Zambian copper production was forecast to fall by 83,000 tonnes this year from 656,000 tonnes in 1978 and many market sources believe the decline will be even greater.

Europe's farm policy 'too protectionist'

BY OUR COMMODITIES STAFF

THE COMMON Agricultural Policy is too protectionist, Mr. P. Metaxa, president of the Grain and Feed Trade Association told corn merchants in London last night.

EEC import levies on wheat, for example, had often been as high as the original price of the wheat coming into the Community.

While it might be argued that world prices for grain were "artificial" in European terms, about 65m or 70m tonnes of wheat were traded on the world market each year.

"This does lead one to the thought that we have over-cooked the books somewhat," he told the GAFTA annual dinner. "Security of supply is a fine aim, but one can over-insure to get it."

Mr. Metaxa said high costs raised serious questions for companies investing in the food manufacturing industry.

"Violent" changes in direction by Community policy-makers were also disconcerting for investors, he said, giving as examples policies on milk powder use, attitudes towards imports of cereal substitutes, and the uncertainties caused by the EEC Commission in the starch industry.

"A factory can take a year or two to build and a good many years before it returns its original investment. One sometimes wonders how industrialists have the courage," he added.

● In Washington yesterday Continental Grain called for aid to the Government of Turkey to be withheld because of default on a wheat purchase contract with the firm four years ago.

Mr. Clarence Palmby, vice-president of Continental, told the Senate appropriations sub-committee on foreign operations that U.S. aid to Turkey should be withheld.

Sugar area estimate reduced

By Our Commodities Staff

TOTAL PLANTINGS of sugar beet in Europe this year should reach 7.86m hectares, according to F. O. Licht, the independent market commentator.

This latest estimate is 14,000 hectares lower than the forecasts Licht issued earlier this year, and reflects a 6,000 hectare cut in France, a 5,000 hectare reduction in Italy, losses in Ireland, East Germany and Czechoslovakia.

In the USSR, however, the latest estimate puts plantings up 20,000 hectares on earlier forecasts at 3.77m.

Drillings in the European Community should now total 1.745m hectares compared with 1.759m estimated earlier.

In London yesterday the daily price for raw sugar was unchanged at £99 a tonne while the whites price was raised £1 to £102.5.

Futures prices closed little changed on the day, apparently little affected by the Licht forecasts of reduced plantings in Europe, traders said.

Israeli export company loses monopoly

By L. Daniel in Tel Aviv

AGREXCO, the Israeli agricultural export company which handles all fresh produce other than citrus, is losing its monopoly.

The Ministry of Agriculture has, after prolonged deliberations, agreed to a licence being granted to the Shoresh Company to sell vegetables abroad next season.

The permit covers 30 types of vegetables.

Tea auction boycotted

By P. C. Mahanti

THE FIRST tea sale of the new marketing season has failed due a total lack of bids.

Buyers fear they may have to bear the 1 per cent turnover tax being imposed on "dealers" from April 1 in West Bengal. They feel they should be exempted from the tax, as are the brokers. They have taken a united stand and say that unless the position is officially clarified they will continue to boycott the sales.

UK AGRICULTURE

No joy for pig farmers

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

ALL FARMERS know about the classic "pig cycle." Reduced supplies raise prices; then higher prices attract farmers to keep more sows which produce more pigs; and the market eventually breaks.

Farmers kill off the sows, supplies drop until the process starts all over again. This used to be spread over a four to five year period.

The market was to some extent self-regulating. High prices with increased numbers of pigs brought in more feed—and feed prices rose. Likewise when pig prices dropped feed prices also fell more or less in step.

It was possible, as I and many others found over the year, to keep going by accepting that the fluctuations in the trade were temporary and hoping that over the years the average return would come out satisfactorily.

But latterly the old pattern seems to have altered. Another element has entered the equation. From a low point in 1976-77 the market rose to an average all-pigs price of 80p a kilo in early 1978. After fluctuating around there for most of the year it has now fallen to 78p a kilo.

This would not have been too bad if feed prices had remained constant. But over the last four months they have shown a spectacular rise which, because of forward buying by compounders and farm feeders, has not yet been fully felt.

The spot price of barley in the UK at end March, according to the Home Grown Cereals Authority was £92.30 a tonne. At the same time last year it was £73.10.

Soya meal, a basic protein in many pig rations, has gone up from £122 to £152 in the past year. There have been similar rises in most other ingredients, but not fishmeal.

Compounders had been buying subsidised cereal replacers, such as tapioca. But this loophole has now been closed by the Commission in Brussels, and their raw material costs are likely to follow the pattern of grain prices more closely in future.

No one expected the grain market to rise so spectacularly. Too much credence had been to Ministry of Agriculture assessments of a record harvest of 17.5m tonnes last year. Fearful of being stuck with another "mountain," this time of grain, the Commission in Brussels granted substantial subsidies to shippers seeking to export barley to third countries. These amounted to about £40 a tonne overall.

The shippers were by all accounts caught very short of supplies as a result of believing Ministry figures. This has pushed the price up, and it looks like staying that way at least until after the forthcoming harvest.

Some 1.1m tonnes of barley will have been shipped—at great expense to the EEC—to various destinations, mostly in Eastern Europe. Without these barley exports, the home market price for grain and other cereal-based feeds would have probably been at a much lower level.

So here is the first imponderable in the new pig cycle. The cost of feed is no lower related to the price of pigs as in free market days—ie, before Britain joined the EEC. There are other forces affecting grain prices which have nothing to do with the feed market.

The price of pork and bacon cannot be manipulated, in the same way as can that of grain, by the ill-informed antics of the Eurocrats. There is on fixed guarantee for pigmeat as there is for beef for instance. There is a private storage guarantee, and protection against imports from third countries. But these are of little use in a self-sufficient market.

The pork market is almost entirely home supplied. Disease restrictions have kept out imports from most other countries in the EEC. This market for fresh pork is probably near its present limit and in fact the present weakening of pork prices is because of slight over-supply.

Bacon and ham is another matter. Just over 40 per cent of these supplies are domestically produced.

Bacon and ham imports, mainly from Denmark and Holland have the advantage of subsidies in the form of monetary compensation amounts.

The Green Pound devaluation will, according to the Meat and Livestock Commission, reduce these by 28 per cent, or about £50 and £30 per tonne respectively. But this will not do much to raise bacon prices for UK producers. The market is already very flat. Bacon prices are at the same level as a year ago. So unless the cut in the MCA subsidy actually stops imports it should make no difference to prices.

In fact it is generally accepted that there is very heavy discounting of the published prices at present.

The Green Pound devaluation will certainly deal a hard knock to Dutch and Danish pig farming, but I doubt if it will be severe enough to put them out of the market.

What could do that would be a recalculation of the formula for the MCA on the lines of those agreed some years ago for poultry and eggs, or a further Green Pound devaluation. Either is likely to be fiercely opposed by the countries most involved. There is a precedent in that the French have just secured a recalculation as far as they are concerned.

But for UK pig farmers the reduction of competition through the Green Pound devaluation of 5 per cent is not going to be all honey. The devaluation also means that the intervention and threshold price for cereals have been raised.

This, while not actually raising current prices further, does mean that they can never fall as low again as they were last year. As a fairly large-scale pig farmer I have no real optimism about the future.

'U.S. should aim for EEC farm prices'

BY OUR OWN CORRESPONDENT

THE TOP executive of a major American farmers' organisation has said he doesn't think European farm prices are too high. And he beleives the quality of life for farmers on the Continent is superior to that of their American counterparts.

Mr. Robert Lewis, secretary and chief economist of the National Farmers Union, the second largest such organisation in the U.S. with 260,000 farm family members, said "I think that in 10 years prices that U.S. farmers receive for their produce should be comparable to what is received in Europe."

Asked about continuing allegations, particularly from Britain, that the EEC's Common Agricultural Policy encouraged inefficiency and artificially high prices, Mr. Lewis said he though there were many efficient farmers in Europe.

"They take better care of their soil, and they live better with their families. The quality of life is better for European farmers and because they receive a fair compensation for return on investment, they feel more secure than farmers in this country whose situation is deteriorating and getting more desperate."

Mr. Lewis, who conceded that his views did not present the orthodox picture of the American farm leader, added that the world needed food prices at the European level in order to provide the economic incentives to grow the larger amounts required in future.

Mr. Lewis said the desire of European governments to protect their dwindling population of farmers was completely understandable given a history of periodic famines and even more recent shortages. He strongly favoured close collaboration between the U.S. and the world's three other major wheat exporters, Canada, Australia; and Argentina. He said a fair world wheat price currently should be $4 a bushel.

Mr. Lewis said grain surpluses in the European Community could be contributed to buffer stocks to help to stabilise world prices. In a way, he added, this was already being done indirectly by, for example, by selling surplus European wheat to Egypt at concessionary prices.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground in active trading on the London Metal Exchange. Rumours surrounding the situation at Noranda caused wide fluctuations, in the market with forward metal moving ahead to £1,040 in the morning rings on talk that night shift-workers had walked out. Also influencing the upward trend was heavy borrowing which narrowed the contango in wirebars and established a backwardation in cathodes. In the afternoon a denial of the earlier Noranda strike rumours prompted a downturn on Comex and as that market continued to weaken the price here fell back to £1,025 before rallying to end at £1,032. Turnover 42,450 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1031.5-2	+31½	1031-2	+32
3 months	1055-6	+28.5	1033-4	+27
Settl'm'nt	1032	+31	—	......
Cathodes				
Cash	1036-7	+31.5	1033-5	+31.5
3 months	1034-5	+30.5	1032-.5	+29½
Settl'm'nt	1037	+32	—	......
U.S. Smt.	—	......	*95-105.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,035, 32, 31, 31.5, three months £1,027, 28, 29, 30, 30.5, 31, 32, 31.5, 33, 34, 35, 36, 37, 38, 39, 40, 39, 38, 39, 38, 37, 36. Cathodes, cash £1,036, three months £1,034. Kerbs: Wirebars, three months £1,036, 37, 37.5, 37. Afternoon: Wirebars, three months £1,034, 33, 34, 33.5, 34, 34.5, 35, 34.5, 32, 33, 32, 31, 31.5, 32, 33, 34. Cathodes, three months £1,033, 32. Kerb: Wirebars, three months £1,025, 26, 26.5, 27, 28, 29, 28.5, 29, 30, 29, 28, 30, 31, 33, 32, 33, 32. Cathodes, three months £1,024.

TIN—Firmer following a rise in the Penang market and a shortage of nearby supplies. Forward metal opened at £7,080 and moved up to £7,110 before closing at £7,100 on the late kerb. Demand for cash material widened the backwardation to £180 at one point while the premium for high grade over standard material was almost eliminated. Turnover 1,180 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7280-90	+88	7250-60	+75
3 months	7110-25	+37.5	7110-25	+52.5
Settlem't	7290	+80	—	......
Standard				
Cash	7265-70	+107	7250-70	+125
3 months	7080-5	+57.5	7090-5	+62.5
Settlem't	7270	+18.5	—	......
Straits. E.	$1932	+17	—	......
New York	—	......	—	......

Morning: Standard, cash £7,250, 60, 70, three months £7,100, 7,095, 7,110, 05, 7,100, 7,090, 80. Kerb: Standard, cash £7,265, three months £7,095, 90. Afternoon: Standard, cash £7,275, 80, 75, three months £7,100, 10, 7,095. Kerb: Standard, three months £7,090, 95, 7,100.

LEAD—Higher following the strength of copper. Forward metal opened at £533 and rose to £538, reflecting trade and chartist buying. However, profit-taking and hedge selling pared the price to £528 in the afternoon before renewed buying prompted a close of £536. Turnover 8,100 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	570-.5	+1.75	565-7	+2.5
3 months	535.5-6	—6	533-4	+4
Sett'ment	570.5	+3.5	—	......
U.S. Spot	—	......	*44	......

Morning: Cash £570, three months £536, 37, 37.5, 37, 36.5, 36, 37, 36.5, 36, 36.5, 36. Kerb: Three months £536. Afternoon: Three months £536, 37, 36, 35, 34, 33, 32, 32.5, 33. Kerb: Three months £533, 34, 35, 36.

ZINC—Quietly steady with forward metal moving between £395 and £396 prior to closing on the late kerb at £396. Turnover 1,250 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	385-6	—1	384-5	—.5
3 months	397-8	—.25	396.5-7	+1.25
S'ment	386	—1	—	......
Prim. west	—	......	*37.5	......

Morning: Cash £387, 86.5, late April £389, three months £399, 98, 97.5. Kerb: Cash £385.5. Afternoon: Three months £397.5, 98, 96.5. Kerb: Three months £396.

ALUMINIUM—Slightly higher with the market moving in line with copper. After opening at £762 forward rose to £768.5 on fresh buying before easing back to close at £760 on the late kerb. Turnover 3,025 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	763-4	+7	755-7	+1.5
3 months	765.5-6	+7	759-60	+3

Morning: Three months £766, 65.5, 65, 66, 65, 66, 65.5, 65, 65.5. Afternoon: Three months £765, 63, 62, 60, 59. Kerb: Three months £760.

* Cents per pound. $ SM per picul. † On previous unofficial close.

CORAL INDEX: Close 531-536

INSURANCE BASE RATES

† Property Growth 11¼%
† Vanbrugh Guaranteed 10%
† Address shown under Insurance and Property Bond Table.

SILVER

Silver was fixed 2.9p an ounce higher for spot delivery in the London bullion market yesterday at 357.45p. U.S. cent equivalents of the fixing levels were: spot 739.1c, up 6.0c; three-month 756.2c, up 6.5c; six-month 773.0c, up 6.1c; and 12-month 797.6c, up 6.6c. The metal opened at 356½-357½p (737-739c) and closed at 356-357p (738-740c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	357.45p	+2.9	356.85p	+4.8
3 months	366.65p	+3.8	365.9p	+4.75
6 months	374.95p	+2.7	—	......
12 months	387.95p	+3.05	—	......

LME—Turnover 127 (180) lots of 10,000 ozs. Morning: Three months 367.5, 7.4, 7.5. Kerb: Three months 367.5. Afternoon: Three months 367.4, 7.5, 7.4, 66.8, 6.5, 6.3, 6.8, 6.5, 6.3, 66, 65.8. Kerb: Three months 365.5, 5.4, 5.6, 5.8, 66, 6.5.

COCOA

Renewal selling held down values throughout the day and the market reached the previous day's lows at the close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1625.0-27.0	—18.0	1640.0-24.0
July	1597.0-98.0	—20.0	1623.0-1595
Sept	1630.0-32.0	—15.5	1648.0-30.0
Dec	1700.0-02.0	—10.5	1710.0-1699
March	1730.0-32.0	—11.5	1738.0-30.0
May	1758.0-60.0	—10.0	1760.0-55.0
July	1780.0-89.0	—13.0	1785.0

Sales: 2,835 (2,053) lots of 15 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price April 4 148.17 (147.18); Indicator prices for April 5 15-day average 150.87 (151.15); 22-day average 152.72 (153.08).

COFFEE

ROBUSTA coffee futures opened slightly lower as forecast and continued to ease throughout the early session reports Drexel Burnham Lambert. The gradual decline was prolonged into the afternoon by Commission House selling but scale-down buying provided good support while profit-taking towards the close was evident at the lower levels. Values finished £17.5-£50.5 down on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1467-1470	—17.5	1485-1457
July	1450-1452	—26.5	1473-1444
September	1451-1452	—39.5	1484-1448
November	1453-1455	—46.0	1486-1462
January	1458-1460	—45.5	[illegible]
March	1451-1457	—46.5	1495-1478
May	1440-1455	—50.5	1476

Sales: 4,726 (3,744) lots of 5 tonnes. ICO Indicator prices for April 4 (U.S. cents per pound): Colombian Mild Arabicas 136.50 (157.00); unwashed Arabicas 144.00 (same); Robustas ICA 1968 138.50 (same); Robustas ICA 1976 137.50 (same); other Mild Arabicas 131.83 (133.50). Composite daily average 133.80 (139.25).

GRAINS

LONDON FUTURES (GAFTA)—Old crops opened 5-10p higher. In the morning session options remained steady. Commercial buyers rallied the market in the afternoon session to trade 35-45 higher, active conditions and options closing 40-55p up on the day. New crops opened 5-10p down. Barley saw a good trade in the Nov.-Jan. switch but fairly thin flat trade. Wheat values increased due to lack of sellers to close steady 25-40 up on wheat and 20-35p up on barley, Acli reported.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
May	101.15	—0.8	97.40	+0.45
Sept.	92.85	+0.35	86.85	+0.25
Nov.	95.85	+0.35	90.10	+0.35
Jan.	99.45	+0.35	93.50	+0.20
Mar.	102.30	+0.25	96.50	+0.20

Business done—Wheat: May 101.15-100.85, Sept. 92.85-92.35, Nov. 95.85-95.40, Jan. 99.15-99.05, March nil. Sales: 379. Barley: May 97.40-96.90, Sept. 86.85-86.55, Nov. 90.10-89.70, Jan. 93.50-93.20, March 96.50-96.50. Sales: 191.

IMPORTED—CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent April-May 81.75, May 80.75, June 79.50, transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC unquoted. Maize: U.S./French April 111, May 112, transhipment East Coast. S. African White unquoted. S. African Yellow May 77.00, nominal. Barley: English feed fob April 99, April-June 99, Oct.-Dec. 92.25, Jan.-March 97.25. East Coast.

HGCA—Location ex-farm spot prices. Feed Barley: N. Lincoln 93.70, Hants and W. Sussex 94.40.

The UK monetary coefficient for the week beginning April 9, will decrease to 1.231.

RUBBER

FIRM opening on the London physical market. Good covering orders throughout the day, closing quietly steady Lewis and Peat reported a Malaysian godown price of 273 (267) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
May	62.00-62.05	60.60-61.15	62.00
June	62.75-62.50	61.90-62.10	—
Jy-Sept.	64.10-64.15	63.15-63.20	64.10-63.70
Oct-Dec	65.35-65.90	64.85-64.90	66.00-65.50
Jan-Mar	67.70-67.75	66.60-66.75	67.80-67.15
Apr-Jne	69.40-69.45	68.35-68.40	69.45-69.40
Jy-Sept.	71.00-71.05	70.20-70.25	71.05-70.60
Oct-Dec	72.75-72.90	72.05-72.10	73.00-72.75
Jan-Mar	74.85-74.90	73.90-74.00	74.95-74.70

Sales: 431 (767) lots of 15 tonnes, 9 (4) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 60.5p (same); May 63.75p (62.75); June 63.75p (62.75).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	120.00-25.0	—5.75	126.50-120.00
June	125.20-25.3	+0.9	125.50-125.00
August	127.10-27.3	+0.8	127.50-126.50
October	125.00-26.0	+0.65	—
December	124.00-25.0	+0.4	124.50
February	124.50-27.0	+1.0	—
April	124.50-28.0	+0.75	—

Sales: 75 (121) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £99.00 (same) a tonne cif for March-April shipment. White sugar daily price was fixed at £102.50 (£101.50).

Reports that Iran was inviting offers this weekend for some 180,000 tonnes of whites caused the market to open some 100 points above kerb levels. Later, however, prices slipped somewhat following persistent selling at the higher levels, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	105.30-05.35	105.25-06.30	106.75-04.75
Aug	109.25-09.30	109.05-09.10	109.75-08.50
Oct.	112.00-12.05	111.90-12.00	112.60-11.60
Dec	115.00-15.10	115.05-15.15	115.60-15.00
March	118.95-19.00	119.15-19.25	119.50-19.00
May	121.25-21.40	121.30-21.40	121.25
Aug	124.50-24.75	124.80-24.90	124.75-24.55

Sales: 2,678 (2,869) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £170.00 (£169.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for April 4: Daily 8.11 (same); 15-day average 8.42 (8.44).

WHITE SUGAR—Close (in order buyer, seller, business, sales). July 107.40, 107.60, 107.75-108.50, 168; Sept. 112.00, 112.10, 112.65-112.00, 178; Nov. 115.75, 115.90, 116.50-115.75, 40; Feb. 123.00, 123.25, 124.00-123.25, 16; April 127.50, 127.65, 127.80-127.25, 15; July 130.00, 132.50, nil, nil; Sept. 133.00, 136.50, nil, nil. Sales: 415.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: May 397.0, 297.5, 401.0-396.5, 74; July 406.0, 406.5, 409.0-405.0, 56; Oct. 402.5, 403.0, 407.0-402.5, 62; Dec. 401.0, 401.5, 405.0-401.0, 113; March 402.0, 403.0, 405.0-402.5, 36; May 402.5, 404.0, 405.0-403.0, 22; July 404.5, 405.0, 408.0-404.5, 11; Oct. 405.0, 406.5, 410.0-408.0, 14. Sales: 388.

LONDON GREASY—Close (in order buyer, seller): May 240.0, 245.0; July 247.0, 253.0; Oct., Dec., March, May, July and Oct. all 250.0, 255.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): May 194.0, 198.0; July 198.0, 202.0; Oct. 200.0, 203.0; Dec. 203.0, 207.0; March, May, July, Oct. all 203.0, 209.0. Sales nil.

BRADFORD WOOL MARKET—Business was almost at a standstill, reflecting the easier trend at Australian auctions. Although replacement costs ought to prevent price reductions, traders said some topmakers have already lowered quotations by two or three pence.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 54.0 to 58.0, Eire hindquarters 67.0 to 70.0, forequarters 34.0 to 37.0.

Veal: English fats 58.0 to 74.0, Dutch hinds and ends 85.0 to 95.0.

Lamb: English small 90.0 to 100.0, medium 90.0 to 96.0, heavy 90.0 to 94.0. Imported frozen—New Zealand PL 49.0 to 49.5, PM 49.0 to 49.5.

Hoggets—English 36.0 to 76.0, Scottish 36.0 to 72.0.

Pork: English, under 100 lb 36.0 to 45.0, 100-120 lb 35.0 to 43.6, 120-160 lb 34.0 to 42.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navels 3.00-3.20, Bloods 3.00-3.10; Israeli: Shamouti 4.40-5.40; Cyprus: 3.30-4.20; Moroccan: Valencia Lates 3.70-3.80. Lemons—Italian: 120s 4.80-5.00; Cyprus: Trays 3.40-4.30; Spania: Trays 30/40/45 2.30-2.40, boxes 4.80-5.40. Grapefruit—Cyprus: 2.50-4.50; Israeli: Jaffa 27/88 3.45-4.25. Apples—S. African: Dunn's 5.60-5.80, Golden Delicious 7.00, Starking 8.50; French: Golden Delicious (40-lb) 138/175s 3.30-4.40, (20-lb) 72s 1.70-2.10, 84s 1.60-1.80; Granny Smith (40-lb) 138/163 5.00-6.80, (20-lb) 72s 3.00, 84s 2.80, (jumble pack) per pound 0.10. Stark Crimson (40-lb) 138/198s 4.00-5.30, (20-lb) 84s 1.80-1.90, 72s 2.00-2.20, (jumble pack) per pound 0.09-0.10; Starking (40-lb) 150/175s 3.80-4.50; Italian: Granny Smith per pound 0.10-0.11; Rome Beauty approx. 12-lb tray 2.80; Washington: Red Delicious 40-lb 10.00-11.00; Canadian: Starking 7.40-8.40. Pears—Per pound, Italian: Passacrassane 0.13-0.14; S. African: Packham's 6.80-7.20, Williams Bon Chretien 7.25-7.50, Beurre Hardy 5.70-8.20; Chilean: Anjous 7.50-8.00; Australian: Williams Bon Chretien 8.00-8.20. Plums—S. African: Per pound Kelsey/Sungold 0.45-0.48. Bananas—Jamaican: Per 28-lb 4.50-4.70. Pineapples—S. African: 10/11s 4.00-4.40; Ivory Coast: each 0.40-0.90. Grapes—S. African: Cartons, Alphonse 6.00, Waltham Cross 6.40, Barlinka 6.00-6.20, New Cross 6.00. Strawberries—Per 8 oz Israeli: 0.50; Spanish: 0.50. Avocados—Israeli: 3.50-3.60; S. African: 4.00-4.40. Melons—Chilean: White 15 kg 5.50, Green 8/11 6.00; S. African: Small boxes 2.50-3.00; Colombian: Green 4.50. Onions—Dutch: 1.80-2.40; S. African: 22-lb 1.80; Hungarian: 55-lb 2.40; Italian: 1.70; Polish: 55-lb 2.50-3.50; Chilean: 5.00-6.00. Tomatoes—Canary: 2.00-4.50; Jersey: Per pound 0.50-0.55. Cucumbers—Canary: 10/16s 2.20-2.40; Dutch: 12/16s 2.60-3.00; Romanian: 12/14s 3.00-3.20. Cauliflowers—French: 24s 8.50-9.00; Jersey: 8.30-8.80. Lettuce—Dutch: 24s 3.20. Celery—Spanish: 15/36s 4.00-5.00. Cabbages—Dutch: White, net 5.60-6.00; W. Germany: 5.60-5.80. Potatoes—Canary: 25-kg 4.40-4.50; Egyptian: 50-lb 4.20-4.30; Cyprus: 4.50. Capsicums—Cuban: 3.50; Canary: 6.00.

MEAT COMMISSION—Average fatstock prices at representative markets on April 5. GB—Cattle, 72.59p per kg lw (+0.17). UK—Sheep, 153.7p per kg est dcw (+11.3). GB—Pigs, 61.2p per kg lw (—1.2). England and Wales—Cattle numbers up 3.9 per cent, average price 73.61p (—0.12). Sheep numbers down 0.5 per cent, average price 153.1p (—11.5). Pig numbers up 31 per cent, average price 61.2 (—1.5). Scotland—Cattle numbers up 0.7 per cent, average price 71.53 (—0.43).

English Produce: Potatoes—Per 25-lb 1.70-2.20. Lettuce—Per 12 round 1.60-1.70. Mushrooms—Per pound [illegible]. Apples—Per pound Bramley [illegible], Cox's Orange Pippin 0.[illegible]. Pears—Per pound Conference 0.04-0.06. Beetroot—Per [illegible]. Carrots—Per 28-lb 1.[illegible]. Onions—Per 28-lb 1.80-2.80. Rhubarb—Per pound 0.18-0.[illegible]. Swedes—Per 28-lb 1.00-1.10. Turnips—Per 28-lb 1.20-1.40. Parsnips—Per 28-lb 1.20-1.40. Sprouts—Per pound 0.20-0.[illegible]. Cucumbers—Tray 12/18s 2.50-3.00. Tomatoes—Per pound 0.50-0.55.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 5 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cs)	$1,565-80	......	$1,475/85
Copper			
Cash w'bar	£1031.5	+32.0	£993.5
3 mth	£1033.5	+27.0	£1,011.25
Cash Cathode	£1034.5	+31.5	£98.6
3 mth	£1032.25	+29½	£1,002.5
Gold troy oz	$241.125	+2.0	$241.125
Lead cash	£566	+2.5	£585.5
3 mth	£533.5	+4.0	£554.25
Nickel	£2480.56	......	£2,350.69
Freemkt(cif)(lb)	$245/50c	......	$210/25c
Platin'm tr'y oz	£159	......	£164.5
Free mkt	£188.15	+3.9	£190.15
Quicksilver	$257/62	......	$250/40
Silver troy oz	357.45p	+2.9	353.9p
3 months	366.65p	+3.0	373.1p
Tin cash	£7,260	+125.0	£7,320
3 mths	£7,092.5	+62.5	£7,210
Tungsten	$137.52	......	$134.1
Wolfrm 22.04 cif	$132/37	—1.0	$142/49
Zinc cash	£384.5	—0.5	£383
3 months	£396.75	+1.25	£398.75
Producers	$800	......	$800
Oils			
Coconut (Phil)	$1,020	+5.0	$1,000
Groundnut	‡		
Linseed Crude	£420	—12.0	£395
Palm Malayan	$665x	+5.0	$670
Seeds			
Copra Philip	$685x	......	$675
Soyabean (U.S.)	$305.5	—3.8	$314.4
Grains			
Barley Futures	£96.85	+0.25	£96.7
Maize			
French No 3 Am	£111	......	£110
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	£89.25
Eng. Milling †	£101.5	......	£98
Other commodities			
Cocoa ship't	£1,656	—18.0	£1,745
Future July	£1,597.5	—20.0	£1,715.75
CoffeeF't'rJuly	£1,451	—25.5	£1,457
Cotton A'Index	72.85c	......	75.15c
Rubber kilo	60.5p	......	57.5p
Sugar (Raw)	£99	......	£105
Wooltp's 64s kl	288p	......	286p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. April-June. u June. x Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, April 4. Cocoa—May 141.85 (140.15), July 144.40 (142.55), Sept. 147.00, Dec. 151.15, March 153.55, May 156.00, July 156.40. Sales: 744.

Coffee—"C" Contract: May 133.00-136.25 (137.18), July 137.75-128.00 (139.48), Sept. 141.25-141.50, Dec. 142.25-142.40, March 141.50-141.75, May 141.75-142.00, July nil. Sales: 1,120.

Copper—April 83.10 (80.20), May 83.20 (80.90), June 84.10, July 84.40, Sept. 84.30, Dec. 94.20, Jan. 94.15, March 94.05, May 93.95, July 93.25, Sept. 93.75, Dec. 93.60, Jan. 93.55.

Cotton—No. 2: May [illegible], July 61.20-61.30 (60.48), Oct. 62.75, Dec. 62.90-63.00, March 64.20, May 65.30-65.50, July 66.[illegible]. Sales: 7,926.

*Gold—April 241.70 (239.20), May 243.40 (240.80), June 245.30, Aug. 249.50, Oct. 253.70, Dec. 258.00, Feb. 262.40, April 266.80, June 271.20, Aug. 275.60, Oct. 280.00, Dec. 284.40, Feb. 288.80.

*Platinum — April 384.50-385.00 (380.70), May 385.40-385.00 (381.00), June 365.70-385.90, July 384.60-385.57, Oct. 386.00, Jan. 388.10-389.20, April 389.30-319.00, July 392.30-392.50, Oct. 394.30-395.00.

§Silver—April 743.00 (732.20), May 749.50 (739.00), June 752.20, July 758.00, Sept. 767.50, Dec. 781.30, Jan. 765.70, March 795.00, May 804.40, July 813.80, Sept. 823.20, Dec. 837.50, Jan. 842.00.

Sugar—No. 11: May 8.38 (8.38), July 8.63 (8.66), Sept. 8.85, Oct. 8.95, Jan. 9.25, March 9.60, May 9.78, July 9.99, Sept. unquoted.

Tin—679.50-700.00 nom. (699.00-705.00 nom.).

CHICAGO, April 4. Lard—Chicago loose 29.50 (29.75). New York prime steam 28.00.

Live Cattle—April 74.68 bid (73.10), June 72.02 bid (71.12), Aug. 70.70-70.70 bid, Oct. 68.60-68.55, Dec. 68.60, Jan. 68.77 bid, Feb. 69.15, April 69.85 bid, June 70.32 asked, Aug. 70.35. Sales: 17,761.

‡Maize—May 250½-250¼ (249½), July 254½-254½ (253), Sept. 258, Dec. 263¼-263½, March 272-272½, May 278¾.

Silver—April 745.5 (731.6), May 750.0 (736.4), June 755.0-757.0, Aug. 766.0-767.5, Oct. 776.5, Dec. 785.5-786.0, Feb. 795.0, April 804.5, June 815.0, Aug. 822.5, Oct. 832.5, Dec. 842.0, Feb. 851.5, April 861.0, June 871.0, Aug. 881.0 nom., Oct. 891.0 nom., Dec. 901.5 nom.

‡Soyabeans—May 754½-755½ (748½), July 764-765 (757), Aug. 757-758, Sept. 727-728, Nov. 705½-705¼, Jan. 713, March 723½, May 731.

¶Soyabean Meal—May 198.00-198.20 (196.90), July 201.80-201.70 (200.30), Aug. 202.00-202.20, Sept. 199.00, Oct. 194.20-194.50, Dec. 194.00.

Soyabean Oil — May 27.13-27.10 (23.74), July 27.19-27.20 (26.87), Aug. 27.0, 26.95, Sept. 26.45-26.40, Oct. 25.85-25.70, Dec. 25.30-25.35, Jan. 25.20, March 25.10, May 25.05, July 24.95-25.00.

‡Wheat — May 330½-329½ (333½), July 321-320¼ (319¼), Sept. 324-324½, Dec. 334¼-334½, March 343¼.

WINNIPEG, April 4. §Rye—May 105.00 asked (104.10 asked), July 100.30 asked (102.70-101.00), Oct. 100.80 asked, Dec. 100.50 bid.

§Barley—May 82.10 (82.30 bid), July 83.30 (83.30 asked), Oct. 83.00 bid, Dec. 84.70 asked.

§Oats—May 83.10 asked (82.00 bid), July 80.50 (79.90 bid), Oct. 83.50 asked, Dec. 82.80 bid.

§Flaxseed—May 339.00 bid (337.50 asked), July 332.50 bid (333.00-333.20 asked), Oct. 322.50, Nov. 315.00 bid, Dec. 312.50 bid.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ¶$ per short ton (2,000 lbs). §$Can per metric ton. §$ per 1,000 sq. feet.

This edition went to press before the latest U.S. market reports were received.

EUROPEAN MARKETS

ROTTERDAM, April 1[illegible]. U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, April $151, May $151, June $149, July $147, Aug $145. U.S. Hard Winter wheat ordinary unquoted. U.S. No. 2 Red Winter wheat June $146, July $142.50, Aug. $143.50. U.S. No. 2 Northern Spring wheat, 14 per cent, May $150, June $147.75, July $146, Aug. $146.

U.S. No. 3 Corn Yellow April $123.50, traded afl. $128.50, March $128.25, April $125.75, May $125.50, June $125.50, July-Sept. $124.50, Oct.-Dec. $125, Jan.-March $132.

Soyabeans—U.S. No. 2 Yellow Gulf Ports afl. $302.50, April $304.50, May $305, June $307.50, July $307.75, Aug. $307.50, Sept. $306, Oct. $284, Nov. $281.50, Dec. $285.50, Jan. $282.75, Feb. $282.75, March $294. Brazil Yellow FAQ unquoted. Argentine mid-May mid-June $235, June $233, July $255 sellers.

Soyameal—44 per cent protein U.S. afl. $241, traded afl. $241, March-April-May $240, April-Sept. $241.50, Nov.-March $232, sellers. Brazil pellets afl. $242, mid-March/April $245, May $246, April-Sept. $246, Nov.-March $248.

PARIS, April 5. Cocoa (FFr per 100 kilos)—May 1421-1422, July 1420 bid, Sept 1459-1462, Dec. 1480-1485, March 1490-1504, May 1495 bid. Sales at call nil. Accumulative total 22.

Sugar (FFr per 100 kilos)—May 920-922, July 937-947, Aug. 955-959, Oct. 990-1005, Nov. 985-1000, Dec. 1025-1040, March 1055-1080, May 1085-1100. Sales at call nil.

INDICES

FINANCIAL TIMES

Apr. 4	Apr. 3	M'nth ago	Year ago
271.01	269.43	271.28	254.85

(Base: July 1, 1952=100)

MOODY'S

Apr. 4	Apr. 3	M'nth ago	Year ago
1055.3	1041.8	1071.5	903.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 4	Apr. 3	Month ago	Year ago
Spot	375.06	375.04	378.34	361.68
F'tur's	384.55	385.41	385.92	349.74

(Average 1924-25-26=100)

REUTERS

Apr. 5	Apr. 4	M'nth ago	Year ago
1556.0	1551.0	1547.4	1429.2

(Base: September 18, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 20 tonnes, bringing the total for the week so far to 171 tonnes. Mixed requests did not include any major operations but users were again looking around for supplies. Attention was mainly centred on Turkish and Russian growths.

Broad advance in equities encouraged by GKN results and one point reduction in MLR—Gilts improve late

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 26	Apr. 5	Apr. 6	Apr. 18
Apr 9	Apr. 19	Apr. 20	May 1
Apr. 23	May 3	May 4	May 15

* "New time" dealings may take place from 9.30 am two business days earlier.

Equity markets rebounded impressively yesterday influenced in the first place by optimism, soon justified, concerning GKN's preliminary figures and secondly by the reduction of one to twelve per cent in Minimum Lending Rate. Not all leading shares participated in the upsurge, there being some notable absentees, but GKN and other major engineerings were outstandingly firm.

Country buyers seemed to be more certain than London operators that GKN would produce excellent results and were actively sought immediately the market opened. The resulting rise in the shares encouraged a general upturn, and the confirmation later of profits well in excess of most expectations brought another burst of strength. This gathered momentum following the announcement of MLR and subsequent cuts in clearing bank base rates.

GKN were not alone in reporting full-year results. **Ladbroke, Bowater, Cadbury Schweppes** and **London Brick** all came up with annual figures which ranged from satisfactory to pleasing and contributed to the general firmness; reflected in a rise of 12.9 in the FT 30-share index at 2 pm before a close of 8.9 higher on the day at 532.7: at the first calculation, the index had been only 0.6 up.

Reports suggested that a return of institutional support was largely responsible for the broad advance in values but, while fund managers remained interested in acquiring sizeable lines of good-quality stocks, little evidence emerged of any major change yesterday in their recent disposition to await election events.

British Funds appeared set to rally after their two-day fall but early gains extending to ½ among long-dated stocks were surrendered prior to the change in MLR. Another recovery was attempted but it was only in after-hours' business that any real headway was achieved. Suspected overseas interest in the wake of sterling's firmness then lifted the longs back to the day's best, showing gains again ranging to ½.

The shorter maturities were more erratic, encountering sizeable selling at one stage which lowered quotations as much as ⅜ before an early afternoon rally. Here, too, foreign support was thought to be partly responsible for late improvements extending to ¼.

Institutional and other offerings of investment currency thwarted attempted recoveries and, after a moderate trade, the premium closed 1¾ points down at 53¾ per cent. Yesterday's SE conversion factor was 0.8147 (0.8064).

A further retraction of business in the Traded options market saw the deals fall to 1,065 against the previous day's 1,135. **Boots** were the most active counter, realising 232 contracts, while **Grand Met.** 143, and **Marks and Spencer**, 120 were also in demand.

Banks quietly firm

The one per cent reduction in base lending rates made little impact on the major clearers which closed quietly firm. Discounts tended higher and, encouraged by the trend towards cheaper money, Hire Purchases also edged forward.

Insurances contributed to the general firm trend. Comment on the better-than-expected results helped **Sun Alliance** touch 588p before closing 2 higher on balance at 582p. **GRE** gained 6 to 264p. Among life issues, **Pearl** put on 4 to 264p in front of today's preliminary statement, while improvements of 5 and 8 respectively were seen in **Hambro Life**, 510p, and **Equity and Law**, 218p.

Leading Breweries were prominent on institutional support, but tended to close slightly below the best. **Bass** rose 6 to 226p, while **Guinness** put on 8 at 195p. **Allied** touched 100p before ending a net 3½ to the good at 98p. **Scottish and Newcastle**, however, eased 1½ to 68p awaiting further news of the future of the Harp lager stake.

Interest in the Building sector was heightened by a significant batch of trading statements. Annual profits at the lower end of market estimates left **London Brick** 2 cheaper at 74p after early progress to 78p, but preliminary results prompted a gain of 9 to 392p in **Taylor Woodrow**. Annual statements lifted **Tilbury Contracting** 8 to 333p, **F. J. C. Lilley** 6 to 92p and **Carron** 11 to 88p. Elsewhere, increased speculative demand took **Phoenix Timber** up 15 to 168p and **Sheffield Brick** up another 6 to 66p.

ICI touched 400p before shading to close a net 5 higher at 398p, but **Fisons** finished unchanged at 308p, after 314p.

Burton feature

Buyers returned for the Store leaders on hopes that the pre-election period will generate an increase in consumer spending. **Burton** issues were particularly favoured with sentiment here additionally helped by a belief that the group will produce a bumper set of interim figures at the end of this month; the ordinary advanced 12 to 340p and the A 10 to 300p, after 304p, while the **Warrants** closed 19 to the good at 166p. **Marks and Spencer** gained 5 to 116p, as did **W. H. Smith A**, to 305p, while **Gussies A** added 6 at 424p. Still drawing strength from the recent good results and proposed scrip-issue, **Bambers** were supported up to a 1979 peak of 290p before closing 19 better at 275p. **Ratners** added 5 to 86p. **John Michael** put on 3 more to 33p.

Still on the recent good interim results, **AB Electronic** encountered demand and advanced 12 more to 228p. Elsewhere in the Electrical sector, **Crellon** issues weakened on the decision to pass the Preference dividend payment, the 12 per cent convertible Preference reacting 6 to 12p and the Ordinary 3 to 12p. On the other hand, buyers showed interest in **Brocks Group** which advanced 8 to 102p, while **Pye Holdings** rallied 5 further to 112p. Among the leaders, **GEC** edged up 3 to 405p.

Stimulated by preliminary results well above best market estimates from **Guest Keen**, Engineering leaders put on a particularly good showing. Already a good market at 262p, **GKN** moved ahead further to 280p on the annual statement before closing at 278p for a rise of 24. **John Brown** revived and ended 12 higher at 553p, after 556p, while **Hawker Siddeley** finished 8 to the good at 256p. The disappointing half-yearly statement prompted a fall of 9 to 166p in **Startrite**, while the sharp fall in annual profits left **Henry Sykes** 7 cheaper at 80p. **Alcan Aluminium** came on offer at 172p, down 6.

Despite the uninspiring annual results, **Cadbury Schweppes** ended 2½ up at 57p, after 57½p. Among other Foods, rumours that Dalgety may launch a bid for the company prompted fresh speculative interest in **Spillers** which improved 1¼ to 44½. Renewed speculative demand lifted **Louis C. Edwards** 5 to 48p and **Avana** 2½ to 93½. Buyers became attracted to **Northern Foods** which firmed 5 to 122p and **Needlers**, up 4 to 54p. Among Supermarkets, **J. Sainsbury** added 6 to 307p, **Associated Dairies** 5 to 272p and **William Morrison** 2 to 139p, after 142p, the last-mentioned in response to increased annual profits and the chairman's confident statement on current trade.

Annual profits above market estimates and the chairman's confident remarks lifted **Ladbroke** 13 to 239p, after 243p, while the satisfactory preliminary results and property revaluation left **De Vere Hotels** 7 to the good at 232p. Further speculative demand was forthcoming for **M. F. North** which added 2 to 50p, but a lack of support left **Reo Stakis** 2½ cheaper at 48½p, after 47p.

Bowater below best

Already firm, the miscellaneous Industrial leaders made further progress following the cut in Minimum Lending Rate but generally closed below the day's best. On annual results in line with expectations, **Bowater** touched 199p before finishing 3 better on balance at 195p. **Metal Box**, at 342p, however, held the best with a rise of 8. Secondary issues were featured by **Sotheby's** which added 12 to 335p on revived investment demand. **Grampian** added 3 to 66p on the results, while news of the property deal with Norcros Investments left **Halma** 4 dearer at 64p. **Syltone** contrasted with a fall of 9 to 199p and **Dunbee-Combex** fell 4 to 72p; the latter's interim results are expected shortly. Late news of the increased annual loss prompted a reaction of 2½ to 24½p in **Barget**.

Distributors again dominated Motor sectors, with selected issues recording useful gains. **Lex Service**, 97½p, and **F. G. Gates**, 62p, both firmed 2 while **Harold Perry** closed 8 to the good at 150p. Elsewhere, **Lucas** were wanted and touched 288p before settling for a rise of 4 at 286p.

Newspapers again displayed a mixed appearance with **News International** adding 7 at 345p, but **International Thomson** easing 9 to 421p. **British Printing** improved 2½ to 58½p on the increased profits and dividend, but **Melody Mills** remained under pressure and eased 3 for a two-day fall of 7 to 135p.

The 1 per cent reduction in Minimum Lending Rate gave a fillip to previously firm Properties. **Land Securities** ended 4 up at 300p, while **Stock Conversion** added 8 to 350p and **Great Portland Estates** 12 to 288p. **British Land** also found support at 74p, up 3, and **Bellway** put on 5 to 103p. **Percey Bilton** and **Fairview Estates** both attracted buyers, the former putting on 10 to 246p, and the latter 5 to 190p.

Shell unsettled late

Quiet conditions persisted in the Oil share market. **Shell**, down 6 at 756p, turned distinctly easier in the late dealings following the announcement that the company's application to increase oil products by 3p per gallon had been halved by the Price Commission. **British Petroleum** ended without alteration at 1190p, after 1194p. Among secondary issues, **Siebens (UK)** reacted 10 to 254p.

Firm on Wednesday following the annual statement, **William Jacks** fell to 32p and ended 7 down at 36p following news that talks about an unnamed party acquiring a 50.2 per cent stake in the company had been terminated. **Mitchell Cotts** slipped 2½ to 38p after the reduced interim profits and depressing statement on current trading.

Among Shippings, **P and O Deferred**, unaltered at 84p, became a quieter market after the previous day's burst of speculative interest. **Common Bros.** held an earlier gain of 3 at 215p following rejection of the bid of 200p cash per share from British and Commonwealth.

The majority of movements in Trust were small and irregular. **R. P. Martin** became a steadier market at 46p, up 2, after the recent setback on the reduced interim dividend and profits.

Carpets International attracted interest ahead of next Thursday's preliminary results, rising 5 to 58p. Buyers also came for **Blackwood Morton**, up 3 at 27p, and **Bulmer and Lumb**, which added 4 to 63p.

Quiet mines

Renewed easiness in the investment currency premium prompted further losses in South African Golds with the Gold Mines index 0.2 easier at 147.8.

However, in dollar terms, prices registered widespread although modest gains as overseas buying interest emerged reflecting the firmness of the bullion price following the International Monetary Fund gold auction. The ex-premium index added 1.1 to 120.4.

A fair demand was reported for **Free State Geduld**, ¼ better at £14, and **Western Holdings**, £17, while the marginal **West Rand Consolidated** put on 4 to 169p.

South African Financials edged higher in quiet trading. Coals showed "**Amcoal**" a further 35 up at 940p. **General Mining** put on 5 to 425p, after 430p; a substantial line of General Mining shares was reported to have been placed through the market to Johannesburg. **Union Corporation**, 4 higher at 330p, and **UC Investments**, 8 to the good at 246p, both came in for Cape support.

The sharply improved profits and increased dividend resulted in a good demand for **MTD (Mangula)**, which advanced 5 to 80p, while **Messina**, which controls Mangula, put on 3 to 99p in sympathy.

Australians remained out of favour following another poor performance in overnight Sydney and Melbourne markets. There were some spots, however, including **Bougainville**, 3 better at 132p owing to the strength of the copper price.

FINANCIAL TIMES STOCK INDICES

	April 5	April 4	April 3	April 2	March 30	March 29	A year ago
Government Secs.	74.77	74.54	75.21	75.68	75.28	75.34	74.23
Fixed Interest	76.19	76.19	76.25	76.30	76.00	75.26	77.38
Industrial	532.7	523.8	525.3	532.2	530.8	540.8	471.4
Gold Mines	147.8	148.0	149.1	152.4	[illegible]	152.5	153.7
Gold Mines (Ex-$ pm)	120.4	119.3	119.7	120.7	121.1	124.0	106.7
Ord. Div. Yield	5.33	[illegible]	5.39	5.34	5.35	5.27	5.75
Earnings, Yld. % (full)	14.16	14.38	14.31	14.16	14.21	14.01	17.31
P/E Ratio (net) (*)	9.00	8.86	8.91	9.00	8.97	9.09	8.17
Dealings marked	5,466	6,275	7,630	5,883	8,617	8,137	5,984
Equity turnover £m.	—	122.68	121.23	104.05	166.29	300.38	78.13
Equity bargains total	—	32,097	34,091	27,970	39,701	42,306	16,894

10 am 524.4. 11 am 529.3. Noon 532.6. 1 pm 536.3. 2 pm 536.7. 3 pm 536.2.
Latest Index 01-246 8026.
*Nil=8.65.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.68 (2/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	76.30 (2/4)	66.05 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	540.8 (29/3)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	136.2 (10/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	125.6 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	April 5	April 4
—Daily		
Gilt Edged	95.3	102.7
Industrials	200.6	226.5
Speculative	25.6	39.2
Totals	124.4	142.8
5-d'y Av'r'ge		
Gilt Edged	104.0	106.2
Industrials	252.2	276.9
Speculative	37.6	40.0
Totals	154.2	166.3

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Ladbroke	10p	17	239	+13	243	167
Marks & Spencer	25p	16	116	+5	117	83
ICI	£1	14	398	+5	406	346
Shell Transport	25p	14	756	−6	774	556
Grand Met.	50p	13	164½	+5½	166	112
GKN	£1	13	278	+24	286	226
BP	£1	10	1,190	—	1,198	720
Burmah Oil	£1	10	119	+2	122	82
GEC	25p	10	405	+3	420	314
Allied Breweries	25p	9	98	+3½	100	80
EMI	50p	9	120	−1	144	115
European Ferries	25p	9	157	+3	168	121
GUS A	25p	9	424	+6	426	288
Scot. & Newcastle Brews.	20p	9	68	−1½	69½	55
Commercial Un.	25p	8	160	+1	177	140

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 3	Apr. 17	Jun. 28	Jul. 10
Apr. 18	Apr 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7

For rate indications see end of Share Information Service.

Call options were dealt in May and Hassell, Lonrho, Dutton Forshaw, Consd. Gold Fields, Town and City, Crosby Spring, Barker and Dobson, Sidlaw, Montague L. Meyer, Charterhall, L.R.C., Edgar Allen Balfour, Britannia Arrow, Scottish and Newcastle, P. Kunick, Elliott Group Peterborough, ICI, Beecham, Imps, Morris and Blakey "A," Marks and Spencer, Burton Warrants, William Press, Royco, Premier Oil, Ratners, Keyser Ullmann, Hunting Petroleum, F. Cooper, Mining Supplies and M and G. Dual Capital, Glaxo, Premier Oil and Talbex were dealt in for the put, while doubles were arranged in MFI, Charterhall, Capital and Counties, Spillers, Marks and Spencer, New Throgmorton Warrants, Consd. Gold Fields and Premier Oil.

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	66	1	12
Corpns. Dom. and Foreign Bonds	8	20	36
Industrials	462	228	833
Financial and Prop.	170	86	273
Oils	10	9	18
Plantation	8	3	24
Mines	40	30	79
Recent Issues	6	3	23
Totals	759	380	1,298

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (105)

FOREIGN BONDS (2)
AMERICANS (1)
BANKS (6)
BEERS (6)
BUILDINGS (13)
DRAPERY & STORES (10)
ELECTRICALS (3)
ENGINEERING (9)
HOTELS (3)
INDUSTRIALS (22)
INSURANCE (4)
LEISURE (3)
MOTORS (3)
NEWSPAPERS (2)
PAPER & PRINTING (1)
PROPERTY (8)
SHIPPING (2)
SHOES (1)
TEXTILES (2)
TRUSTS (3)
OILS (1)
RUBBERS (1)

Caterpillar, Norton Simon, Crown Zellerbach, Singer, Esmark

BANKS (6)
ANZ, Commercial Aust., Bank Leumi, Natl. Bank Aust., Bank N.S.W., Cie. Bancaire

BUILDINGS (1)
Brownlee

CHEMICALS (1)
Wardle (B.)

ELECTRICALS (2)
Crellon, Crellon 12pc Pref.

ENGINEERING (1)
Thyssen

FOODS (1)
Kraft

INDUSTRIALS (4)
Berget, Baxter Travenol, Coalite..., Dunbee-Combex

INSURANCE (1)
Taisho Marine

PROPERTY (1)
Land Lease

TEXTILES (2)
Snia Viscosa Do. Priv., Monfort

TRUSTS (6)
Crescent Japan, Jardine Japan, F. & C. Eurotrust, Jersey External, G.T. Japan, Nippon Fund

OILS (2)
Weeks Pet., Weeks Pet Ptd. Ord.

OVERSEAS TRADERS (1)
Tozer Kemp. 8pc Cnv. 1981

MINES (1)
Oakbridge

NEW LOWS (48)

FOREIGN BONDS (2)
Chinese 5pc 1925 Boxer, Japan 4pc '10 Ass.

AMERICANS (11)
American Express, General Electric, Bendix Corp., I.B.M., C.P.C., Morgan (J. P.)

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	850	348	—	400	1	—	—	1191p
BP	950	248	—	300	1	312	—	"
BP	1000	198	2	252	—	268	—	"
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	169p
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	217p
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	104p
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	405p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	165p
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	398p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	300p
Land Secs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	117p
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	761p
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			[illegible]		[illegible]		[illegible]	

Option	Ex'rc'se price	May Closing offer	May Vol.	August Closing offer	August Vol.	November Closing offer	November Vol.	Equity close
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	72p
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	229p
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	121p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ImperialGp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	104p
ImperialGp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	303p
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			[illegible]		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Thurs., April 5, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Wed. April 4 Index No.	Tues. April 3 Index No.	Mon. April 2 Index No.	Fri. Mar. 30 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (75)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS										
11	(DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS										
21	(NON-DURABLE) (176)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (40)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (111)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Thurs. April 5	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

[illegible]

		Thurs. April 5 Index No	Yield %	Wed. April 4	Tues. April 3	Mon. April 2	Fri. Mar. 30	Thurs. Mar. 29	Wed. Mar. 28	Tues. Mar. 27	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

APPOINTMENTS

Computer bureau chairman change at NatWest

Mr. T. McMillan, deputy group chief executive (UK business) of National Westminster Bank, has been appointed chairman of CENTRE-FILE, the bank's computer bureau subsidiary, in succession to Sir Edward Playfair, who is relinquishing that position on his retirement from the Board of National Westminster on April 24.

★

Mr. Robert Thomson, of Westminster Press, is to join the Board of W. and R. CHAMBERS.

★

Mr. Trevor Toolan has been appointed industrial relations director of LEYLAND VEHICLES, a subsidiary of BL. He takes over from Mr. Geoff Armstrong, now regional industrial relations director at BL Cars.

★

Dr. Colin Gaskell has been appointed managing director of MARCONI INSTRUMENTS (GEC-Marconi Electronics). He succeeds Mr. Richard Foxwell who retires from that position to become chairman of the company. Mr. Rowland Charlton, previously general manager, has been made assistant managing director of Marconi Instruments.

★

Mr. Leslie Lambourne has been appointed production director of PRESSED STEEL FISHER a BL Company.

★

Mr. Peter Mason has been appointed executive director of PORTLAND ASSOCIATES CONSULTING ENGINEERS. He was formerly a partner with Pell Frischmann and Partners.

★

Mr. A. Stones has retired from the Board of F. W. WOOLWORTH AND CO.

★

Mr. H. C. James has been appointed secretary of MARLEY.

★

Mr. James R. Fleming, commodities manager of BANQUE NATIONALE DE PARIS, has been appointed assistant general manager and Mr. Martin Hooff, foreign exchange dealing manager and chief dealer, has been made manager.

★

Mr. J. W. S. Macdonald has been appointed to the Boards of BOWMAKER and BOWMAKER (PLANT). Mr. J. W. C. Hart joins the Board of Bowmaker (Plant).

★

Mr. James Gillies has been appointed a divisional director of the LITTLEWOODS ORGANISATION responsible for delivery services.

★

Mr. Neil Murphy has been appointed to the main Board of THE BUILDER.

★

Mr. Bryan Lund has been appointed European finance director of MORTON CHEMICAL COMPANY, a division of Morton-Norwich Products Inc., Chicago, U.S. He continues as a director of Williams (Hounslow) UK and Morton-Chimie S.A., France.

★

Mr. P. J. S. F. Kennen and Mr. J. Wilkes have been elected to the Board of FANE STEVENSON AND CO.

★

Mr. R. Harper has been appointed managing director of COWLING SIGNS AND DISPLAYS.

★

Mr. S. G. Robson has been appointed finance director of F. J. C. LILLEY and Mr. J. T. Murray has retired from the Board.

★

Mr. John Turner, deputy managing director of Thurgar Bolle, has been appointed to the Board of the parent company THURGAR BARDEX.

★

Mr. Geoffrey Kneen has resigned as a director of BLACKWOOD MORTON AND SONS (HOLDINGS) to take up an appointment abroad.

★

Mr. M. E. Purver has been appointed general manager and secretary of the BAPTIST INSURANCE COMPANY from April 6. He succeeds Mr. C. J. L. Colvin who is retiring from the company.

★

Mr. David S. Hawkins has become marketing director on the Board of BUNZL TELECOMMUNICATION SERVICES. Brigadier Roly Borthwick takes up a non-executive post on the Board.

★

The Home Secretary has reappointed Mr. Woodrow Wyatt as chairman of the HORSERACE TOTALISATOR BOARD for a further three years to April 30, 1982. Mr. Wyatt has been chairman of the Tote Board since May 1976.

★

Mr. Simon Cullum has joined RESPONSE ADVERTISING as managing director. He was previously managing director of CHARLES BARKER CITY.

★

Mr. John G. Kelly has been appointed financial director of GOVAN SHIPBUILDERS. He was previously financial director of Burntisland Engineers and Fabricators.

★

The Earl of Westmorland has been appointed deputy chairman of SOTHEBY PARKE BERNET GROUP, the holding company of the Sotheby Group.

★

Mr. Miles Broadbent, managing director of Watney International, has resigned from the Board of WATNEY MANN AND TRUMAN BREWERS to become executive director in the London office of RUSSELL REYNOLDS ASSOCIATES, INC., executive search consultants.

★

Mr. A. N. Macleod has entered into partnership with TEATHER AND GREENWOOD, stockbrokers, as senior partner.

★

Mr. A. G. S. McCallum has been appointed a director of JAMES FINLAY AND CO and of JAMES FINLAY CORPORATION, merchant bankers and Mr. J. W. Cairns has retired from both Boards. Mr. S. R. Stephens has become deputy chairman of James Finlay Corporation.

★

Mr. G. A. H. Palfreyman has been appointed to the Board of CHAMBERLAIN PHIPPS. He is managing director of the Chamberlain Phipps group's shoe components division.

★

Mr. Alex. H. Fetherston, deputy chairman and chief executive of VF CORPORATION (UK), has retired.

★

Mr. Bruno Malivel has been appointed financial director of VULNAX INTERNATIONAL.

★

Mr. Jim Stevens has been appointed secretary of the NORTH THAMES GAS CONSUMERS' COUNCIL. He succeeds Mr. Ken Brice who has joined the staff of the National Gas Consumers' Council.

★

Mr. Brian Bonner and Mr. Iain Young have been appointed to the Board of MTE LIMITED.

★

Mr. N. M. Stoughton, a director of WOELLWARTH AND CO. (FOREIGN EXCHANGE), has been appointed managing director. He has also joined the boards and becomes managing director of Woellwarth and Co. (Deposits), Woellwarth and Co. (Overseas) and Woellwarth and Co. (Management).

★

Mr. Leslie J. Clark, who is 65, will be relinquishing his position as chairman of VICTOR PRODUCTS (WALLSEND) on June 30.

★

Mr. C. F. Ward, chairman of the Dobson Park Industries Group, has been elected deputy president of the NOTTINGHAMSHIRE CHAMBER OF COMMERCE AND INDUSTRY. He has also become a committee member of a new body, the Nottinghamshire Economic Forum.

★

Mr. Donald Boydell, head of pensions and insurance branch at the NATIONAL COAL BOARD'S London headquarters, has retired and Mr. Peter Stafford has been made director of pensions and insurance, based at the industry's Pensions and Insurance Centre, Sheffield.

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
97¼	94⅝	Treasury 3pc '79‡‡	97⅛	......	3.09	9.63
97⅝	95⅜	Electric 4¼pc '74-79	97½	......	4.36	9.71
100⅛	54⅝	Treasury 10½pc '79‡‡	100½xd	+1/16	10.48	10.27
96⅜	94½	Electric 3½pc '76-79	96⅜	......	3.63	9.72
99⅜	95⅞	Treasury 9pc 1980‡‡	99⅛	......	9.08	9.96
99⅜	95 11/16	Treasury 9½pc '80‡‡	99⅛	......	9.58	10.36
95¼	92⅝	Treasury 3½pc '77-80	95	......	3.68	7.96
95½	92⅞	Funding 5¼pc '78-80‡‡	95½	......	5.49	9.30
103½	99 3/16	Exchequer 13pc 1980‡‡	102 13/16	−1/16	12.62	10.95
102⅞	96 11/16	Treasury 11½pc 1981‡‡	101 1/16	......	11.38	10.78
92½	88⅞	Treasury 3½pc 1979-81	92¼	......	3.79	8.05
99¼	13⅝	Treasury 9¾pc 1981‡‡	98 13/16	+1/16	9.85	10.34
96¼	89½	Exch. 8¼pc 1981	95 13/16	+1/16	8.59	10.35
98¼	91¼	Exch. 9½pc 1981	98	+1/16	9.69	10.48
91	84¼	Exch. 3pc 1981	90¾	......	3.31	7.31
98 1/16	96	Treas. Variable '81§§	96 7/16	+3/16	12.36	13.50
104½	97 5/16	Exch. 12¾pc 1981‡‡	104	+3/16	12.26	10.93
96⅞	88	Treas. 8½pc '80-82‡‡	96⅛	+⅛	8.81	10.01
88¾	82	Treasury 3pc '82‡‡	88½	......	3.38	7.53
108⅜	100⅜	Treasury 14pc '82‡‡	107⅞	+⅛	12.98	10.78
96 13/16	94⅝	Treas. Variable '82§§	95 7/16	+3/16	12.56	13.86
94⅞	85⅜	Treasury 8¼pc '82	94½	+⅛	8.73	10.28
96½	86½	Exch. 9¼pc 1982	96⅛	+⅛	9.62	10.60
95⅛	84⅝	Exch. 8¾pc 1983	95	+⅛	9.21	10.37
85	78¼	Exch 3pc '83	84¾	......	3.54	7.61
104¼	93⅛	Treasury 12pc 1983‡‡	103⅜	......	11.61	10.90
103⅞	93⅛	Treas. 12pc '83 A‡‡	103⅛	+⅛	11.63	10.97
94 7/16	93½	Treas. Variable '83§§	93⅝	+⅛	12.75	14.01
96¼	84½	Treasury 9¼pc '83	95½	......	9.69	10.58
97½	85½	Exch. 10pc 1983	96⅝	......	10.35	10.92
89½	78¾	Funding 5½pc '82-84‡‡	89¼	+¼	6.16	8.26
Five to Fifteen Years						
109⅞	93¼	Exch. 12¼pc 1985	108¾	+¼	11.25	11.30
93⅝	80	Treasury 8½pc '84-86‡‡	92⅝	+⅛	9.37	10.36
64⅛	17¾	Exch. 13¼pc 1987 £50pd	63½	+½	12.15	11.45
83⅝	72½	Funding 6½pc '85-87‡‡	82½xd	+⅜	7.83	9.58
87¼	73½	Treasury 7¾pc '85-88‡‡	86⅝	+⅜	9.10	10.35
70⅜	58⅝	Transport 3pc '78-88	69¼	+¼	4.38	7.87
71¾	61⅛	Treasury 5pc '86-89	70¾xd	+⅜	7.05	9.42
112⅝	93¾	Treasury 13pc 1990‡‡	111⅜	+½	11.98	11.59
88⅛	72¾	Treasury 8¼ 87 90‡‡	87	+⅜	9.76	10.65
104⅞	86¼	Treasury 11¾pc 1991	103½	+½	11.66	11.62
70¾	60⅜	Funding 5¾pc '87-91‡‡	69¾xd	+⅜	8.24	10.17
110¼	91	Treasury 12¾pc '92‡‡	109	+½	11.98	11.76
93	75½	Treasury 10pc 1992	91¾	+⅜	11.04	11.41
106	86¾	Exch. 12¼pc '92	104¾	+½	11.84	11.74
108½	89¼	Treasury 12½pc '93‡‡	107¼	+½	11.96	11.84
67¾	54⅝	Funding 6pc 1993‡‡	66¾	+⅜	9.03	10.59
118¼	98	Treasury 13¾pc 1993‡‡	117	+½	12.28	11.99
119⅝	98¾	Treasury 14½pc '94‡‡	118⅛	+½	12.39	12.01
Over Fifteen Years						
107	87½	Exch. 12½pc 1994	105¾	+½	11.98	11.89
88¼	72	Treasury 9pc '94‡‡	87⅛	+⅜	10.75	11.23
105	85¼	Treasury 12pc '95	103¾	+½	11.83	11.79
50⅛	42	Gas 3pc '90/95	49⅞xd	+¼	5.99	8.90
93⅜	75⅝	Exch. 10¼pc 1995	92⅛	+⅜	11.38	11.62
112½	92¼	Treasury 12¾pc '95‡‡	111¼	+½	11.99	11.86
84⅛	68⅛	Treasury 9pc '92/96‡‡	83	+⅜	10.91	11.34
124¾	107⅜	Treasury 15¼pc '96‡‡	121¼xd	+½	12.47	12.14
116¼	95⅜	Exchequer 13¼pc '96‡‡	115	+½	12.06	11.89
49¾	41⅜	Redemption 3pc 1986-96	49	+¼	6.12	8.75
113⅝	92¾	Treasury 13¼pc '97‡‡	112⅜	+½	12.07	11.91
93¼	75⅝	Exchequer 10½pc 1997	92½	+⅜	11.50	11.67
82	66	Treasury 8¾pc 1997‡‡	80⅞	+⅜	10.93	11.35
66⅞	56	Treasury 6¾pc '95-98‡‡	65⅝xd	+⅜	10.19	11.03
125¾	106⅜	Treas. 15½pc '98‡‡	124⅝	+½	12.46	12.19
106⅞	86⅞	Exch. 12pc 1998	105⅝	+½	11.86	11.84
87⅜	71¼	Treasury 9½pc 1999‡‡	86¾	+⅜	11.22	11.47
46¼	40⅜	Exch. 12¼pc '99 £40pd	45¼	+⅜	11.94	11.91
95¾	77⅝	Treasury 10½pc 1999	94½	+⅜	11.59	11.73
104½	84½	Exch. 12pc '99-02	103¼	+½	11.90	11.88
115⅛	99	Treas. 13¾pc 2000-03	113⅞	+½	12.14	12.01
41¾	32½	Funding 3½pc '99-04	41¼	+¼	8.64	10.01
109⅜	88⅛	Treasury 12½pc '03-05	108⅛	+½	11.95	11.92
73¾	62	Treasury 8pc '02-06‡‡	72½xd	+⅜	11.09	11.32
52¾	41⅜	Treasury 5½pc '08-12‡‡	51⅝	+¼	10.73	11.03
71¾	57⅛	Treasury 7¾pc '12-15‡‡	70⅝	+⅜	11.20	11.30
106⅜	85¾	Exch. 12pc '13-'17	105⅛	+½	11.84	11.83
Undated						
35⅜	28½	Consols 4pc	35	+⅛	11.66	—
35⅜	28	War Loan 3½pc‡‡	34⅜	+⅛	10.40	—
38¼	33½	Conv. 3½pc '61 Aft.	37⅞	+⅛	9.25	—
26¼	22¼	Treasury 3pc 66 Aft.	26	+⅛	11.54	—
23½	19½	Consols 2½pc	23¼	+⅛	10.76	—
21⅝	18⅝	Treasury 2½pc	21⅝	+⅛	11.58	—

INTERNATIONAL BANK

85	80	5pc Stock '77-82	83½	−½	5.98	10.98

CORPORATION LOANS

96	89½	Birm'ham 9¼pc '79-81	95½	−¼	9.69	11.47
92¼	85½	Bristol 7¾pc '79-81	91¾	−¼	8.45	11.51
103¾	95¼	G.L.C. 12½pc '82	103	......	12.11	11.23
104	93½	Do. 12½pc 1983	103	−¼	12.14	11.60
94	86	Glasgow 9¼pc '80-82	93½	−¼	9.89	11.48
94	90¼	Herts. 5½pc '78-80	93¾	......	5.58	11.00
97⅝	86	Liverpool 9¾pc '80-84	97	+½	10.45	11.51
29⅝	24¼	Do. 3½pc Irred.	29¼	+¼	12.15	—
87¼	79	Lon.Cp.6½pc '80-82	86¾	......	7.49	11.45
91½	83	Do. 9¾pc '84-85	91xd	......	10.17	11.24
89	82½	L.C.C. 5½pc '77-81	88¾	......	6.20	10.82
84	72	Do. 5½pc '82-84	82	......	6.80	10.27
74½	62¾	Do. 5½pc '85-87	73	......	7.71	10.87
72½	59¼	Do 6¾pc '88-90	71	−½	9.72	11.68
26	20½	Do. 3pc '20 Aft.	25½	......	12.06	—
95	91⅝	Middx. 5¼pc 1980	94¾	......	5.54	11.13
99¾	93	Newcastle 9¼pc '78-80	97	......	9.54	11.51
101¾	97¼	Warwick 12½% 1980	101¼	......	12.28	11.21

COMMONWEALTH & AFRICAN LOANS

97¼	93½	Aust. 5½pc '77-80	97⅛	−⅛	5.75	11.54
85½	81¼	Do. 5½pc '81-82	85xd	−¼	6.48	11.57
96	92¼	N.Z. 6pc '76-80	95⅞	−⅛	6.30	11.58
82¾	74½	Do. 7½pc '83-86	82½	−¼	9.34	11.61
94½	84¼	Sth. Africa 9½pc '79-81	89½xd	+½	10.53	14.12
70	43	Sth. Rhod. 2½pc '65-70	64	−1	—	—
105	81	Do. 6pc '78-81	95	−4	—	—

LOANS

Public Board and Ind.

65	56	Agric. Mt. 5pc '59-89	64½	......	7.91	11.08
89½	75	Alcan 10½pc '89-94	89½	......	12.28	12.60
30½	24½	Met. Wtr. 3pc 'B'	30	......	10.09	11.94
129	118	U.S.M.C. 9pc 1982	120	......	7.71	—
95	87	Do. without Warrants	94½	−½	9.88	12.40

Financial

103	98¾	FFI 13pc 1981	102¾	−¼	12.65	11.26
107	102	Do. 14pc '79	107	......	14.03	—
108¼	98¼	Do. 14pc '83	107¾	−¼	12.99	11.79
86	77½	ICFC 5½pc Deb. '80-82	84½xd	......	6.50	11.00
83½	71½	Do. 6¼pcDb. '81-84	83	−½	7.77	11.10
98½	34½	Do. 10¾pc Uns.Ln. '86	97½	−½	11.08	11.70
98	84½	Do. 11pc Uns.Ln. '88	98	......	11.57	11.80
100	84	Do. 11¾pc Uns.Ln. '90	99	......	12.23	12.40
71	57	Do. 7¾pcADeb. '89-92	70	−½	10.78	12.20
66½	53½	Do. 7¼pcA Db. '91-94	66xd	+½	10.98	12.20
79	64½	Do.9pc'A' '91-94	78xd	......	11.53	12.20
76	62½	Do.8⅞pcLn. '92-97	76	......	11.94	12.40

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly.	22	......	—	—
40	39	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	13.10

BONDS & RAILS—Cont.

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

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[illegible]

ENGINEERING—Continued

[illegible]

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[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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O.F.S.

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AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	12	Acmex	12	......	—	—	—
171	129	Bougainville 50 Toea	132	+3	Q15c	1.0	7.0
140	97	BH South 50c	103	......	—	—	—
540	340	Central Pacific	450	......	—	—	—
318	238	Conzinc Riotinto 50c.	238	......	§Q10c	ϕ	2.5
36	26	Cultus Pacific N.L.	28	......	—	—	—
21½	15½	Endeavour 20c	15½	−½	—	—	—
98	62	G.M. Kalgoorlie $1.	68	......	—	—	—
42	29	Haoma Gold N.L.	29	......	—	—	—
170	148	Hamptn Areas 5p.	166	+1	ϕ13.55	2.0	3.2
56	25	Metals Ex. 50c	47	+1	—	—	—
275	197	M.I.M. Hldgs. 50c	212	+1	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	38	Mount Lyell 25c	55	......	—	—	—
44	18	Newmetal 20c	20	......	—	—	—
141	104	North B. Hill 50c	108	+1	†Q8c	1.3	4.3
22	11	Nth. Kalgurli	14	......	—	—	—
40	26	Nth. West Mining	29	......	—	—	—
137	91	Oakbridge $A1	91	−2	Q12c	1.9	7.7
37	22	Otter Exploration	28	......	—	—	—
120	58	Pacific Copper	92	+2	—	—	—
£10¼	700	Pancont'l 25c	750	+25	—	—	—
25¾	17½	Paringa M&Ex 5p	20	+1	—	—	—
510	358	Peko-Wallsend 50c.	360	+2	Q15c	3.3	2.4
215	145	Southern Pacific	185	......	—	—	—
188	139	Westn. Mining 50c.	155xd	+3	†Q3c	0.7	1.1
11	9	Westmex	11	......	—	—	—
65	50	Whim Creek 20c	50	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	29xd	......	2.81	1.3	14.4
435	330	Ayer Hitam $M1	335xd	......	Q300c	0.5	19.2
72	51	Beralt Tin	70	......	4.0	ϕ	8.5
270	200	Berjuntai $M1	215	......	†Q110c	1.0	12.2
160	145	Geevor	160	......	H5.57	5.8	5.2
10	8	Gold & Base 12½p	9½	+1	—	—	—
350	295	Gopeng Cons.	350	......	18.0	1.4	7.7
355	295	Hongkong	350	......	12.5	2.8	5.3
70	64	Idris 10p	70	......	‡12.0	1.6	‡
14	9½	Jantar 12½p	14	......	—	—	—
77	66	Kamunting $M0.50	76	......	†Q12.5c	2.1	3.5
620	210	Killinghall $M1	335	......	—	—	—
465	365	Malay Dredging $M1	405xd	......	†175c	0.7	9.3
57	42	▲Pahang	42	......	—	—	—
85	60	Pengkalen 10p	80	......	4.5	1.2	8.4
240	215	Petaling $M1	215	......	Q120c	1.3	12.0
85	73	Saint Piran	80	−1	†2.03	6.5	3.8
58	53	South Crofty 10p	56	......	†4.19	2.0	11.2
210	170	South Kinta $M0.50	190	......	†§Q145c	0.6	16.4
405	285	Sthn Malayan $M1	350xd	......	†Q190c	1.0	11.7
285	210	Sungei Besi $M1	275	......	mQ65c	5.3	5.1
75	52	Supreme Corp. $M1	53	......	ZQ10c	—	4.1
105	94	Tanjong 15p	94	......	6.60	0.8	10.5
265	205	Tronoh $M1	255	......	‡Q88c	1.6	‡

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	56	Messina R0.50	99	+3	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	54	Barymin	67	......	—	—	—
13½	11	Burma Mines 17½p	11	......	—	—	—
345	170	Cons. Murch. 10c.	260	......	—	—	—
410	340	Northgate C$1	355	−10	—	—	—
390	226	R.T.Z.	302	−1	9.5	2.8	4.7
65	40	Sabina Inds. C$1	44	−1	—	—	—
880	725	Tara Exptn. $1	750	−25	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$13¾	$10½	Buffels R1	$13¾	+⅛	Q190c	ϕ	16.5
$11¾	890c	East Drie R1	$11	+⅛	Q115c	1.6	12.0
470c	350c	East Rand Prp. R1	450c	......	Q10c	—	2.6
$24¾	$18¼	F.S. Geduld 50c	$23½	+½	Q315c	2.4	15.4
$14⅜	$11⅛	Pres. Brand 50c	$14¼	+¼	Q150c	3.2	12.1
$14¼	$10¼	St. Helena R1	$12⅞xd	......	Q193c	1.4	17.0
595c	407c	Stilfontein 50c	560c	+10	Q66c	ϕ	13.6
$24¼	$18¼	Vaal Reefs 50c	$23⅛	......	Q280c	2.7	14.0
$35¼	$28¼	West Drie R1	$33¼	+¼	†Q385c	1.7	13.3
$29½	$22¼	$29½	$28¾	+½	Q415c	1.4	16.6
$13	$10½	Western Deep R2	$12¼	+⅛	Q147½c	2.3	14.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ⁑ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	27½	......	Sheff. Refrshmt	78	......
Ash Spinning	107	......	Sindall (Wm.)	120	......
Bertam	27	......			
Bdg'wtr. Est. 50p	375	......	**IRISH**		
Clover C oft	28	......	Conv. 9% '80/82	£91½	......
Craig & Rose £1	970	......	Alliance Gas	105	......
Dyson (R. A.) A	35	......	Arnott	360	......
Ellis & McHdy	68	......	Carroll (P.J.)	109	......
Evered	27	......	Clondalkin	89	−1
Fife Forge	54	......	Concrete Prods.	93	......
Finlay Pkg. 5p	21	......	Heiton (Hldgs.)	60	......
Graig Ship. £1	175	......	Ins. Corp.	220	......
Higsons Brew	83	......	Irish Ropes	105	......
Holt (Jos) 25p	269	......	Jacob	40	+4
I.O.M. Stm. £1	170xc	−2	T.M.G.	235	−10
Pearce (C. H.)	203	......	Unidare	85	......
Peel Mills	30	......			

OPTIONS
3-month Call Rates

Industrials		I.C.I.	20	Unilever	55
A. Brew	7	"Imps"	9	U.D.T.	4
BOC Intl.	6	I.C.L.	40	Utd. Drapery	10
B.S.R.	8	Inveresk	7	Vickers	17
Babcock	14	KCA	4	Woolworths	6½
Barclays Bank	32	Ladbroke	18		
Beecham	52	Legal & Gen.	14	**Property**	
Blue Circle	18	Lex Service	9	Brit. Land	5
Boots	18	Lloyds Bank	25	Cap. Counties	7
Bowaters	18	"Lofs"	5	E.P.	3½
B.A.T.	28	London Brick	7	Intreuropean	5
Brown (J.)	50	Lonrho	9	Land Secs.	20
Burton 'A'	22	Lucas Inds.	25	MEPC	15
Cadburys	5	"Mams"	18	Peachey	13
Courtaulds	10	Mrks. & Spncr	9	Samuel Props.	14
Debenhams	8	Midland Bank	30	Town & City	2
Distillers	21	N.E.I.	14		
Dunlop	6½	Nat. West. Bank	28	**Oils**	
Eagle Star	10	Do. Warrants	15	Brit. Petroleum	70
E.M.I.	14	P & O Dfd.	8	Burmah Oil	11
Gen. Accident	21	Plessey	10	Charterhall	3½
Gen. Electric	32	R.H.M.	5	Shell	43
Glaxo	50	Rank Org.	25	Ultramar	24
Grand Met.	12	Reed Intnl.	16		
G.U.S. 'A'	30	Spillers	5½	**Mines**	
Guardian	24	Tesco	6		
G.K.N.	24	Thorn	22	Charter Cons.	16
Hawker Sidd.	22	Trust Houses	27	Cons. Gold	17
House of Fraser	15	Tube Invest.	30	Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday April 6 1979

Iran 'to complete nuclear plants'

By Andrew Whitley in Tehran

IRAN IS to complete all four nuclear power plants now under construction, Mr. Amir Entezam, the Government spokesman, said yesterday. His statement runs contrary to earlier official indications that two French plants at an early stage of construction would be cancelled.

French diplomats were surprised by the news, which concerns their biggest project in Iran, with an estimated final value of £1.2bn. Although the contract, with a consortium led by Framatome, had not been officially cancelled, site work has been run down to a very low level.

No confirmation of Mr. Entezam's comments, made at one of his regular, wide-ranging press conferences, was available here yesterday, and observers were inclined to be cautious in drawing firm conclusions. If correct, it will be the first reversal in the trend of cutting almost all the Shah's grandoise schemes.

There was a major reassessment last autumn of the highly ambitious nuclear energy programme, which would have involved the setting up of over 20 nuclear power stations in the next decade.

Instead Iran decided to concentrate on much cheaper gas-fuelled power stations, utilising the country's plentiful gas reserves.

Successive cuts in the programme had, by February, left only two nuclear plants, being built by Kraftwerkunion of West Germany, as likely to be completed. Progress, even on these two, has suffered from severe financial problems because of the stopping of progress payments by the Government. Sited at Bushire on the Gulf they are at an advanced stage of completion.

France's two 900 MW units are being built on the banks of the Karun river in southwest Iran. The contracts were signed in October 1977 and they are due for completion in 1983 and 1984 respectively.

Mr. Entezam also yesterday repeated earlier Government statements that Iran was interested in purchasing agricultural goods and machinery in place of the arms ordered from Western suppliers. Britain, the U.S., Holland and West Germany were named.

Approaches for more agricultural equipment are said to have been made in general terms, to at least one major arms-supplying country, but it is not clear whether a direct link was being made with the cancelled weapons.

The government confirmed that contracts with Britain for *more than 1,200 chieftain tanks* are to be cancelled, along with seven AWAC radar aircraft ordered from the U.S. Other cancellations are also being made across the board.

Iran adopts new code for trials, Page 4

Weather

UK TODAY

BRIGHT intervals becoming cloudy with rain, sleet or snow on high ground. Generally cold. Max. 9C (48F).

London, Midlands, Cent. N. England, N. Wales, W. Scotland

Bright intervals, becoming cloudy with rain. Sleet on high ground.

Rest of Scotland, E., N.E. England

Rain with sleet or snow on hills.

Ulster, S.W. Cent. S. England, S. Wales

Scattered showers, wintry on high ground.

● **OUTLOOK:** Cloudy

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	11	52	Lisbon	F	14	57
Algiers	F	19	66	Locarno	C	10	50
Amsdm.	C	5	41	London	C	8	46
Athens	F	18	64	Luxmbg.	C	4	39
Bahrain	S	29	84	Luxor	S	31	88
Barclna.	S	15	59	Madrid	S	11	52
Beirut	F	19	66	Majorca	F	15	59
Belfast	C	6	43	Malaga	C	20	68
Belgrd.	S	14	57	Malta	S	19	66
Berlin	R	4	39	Mchstr.	F	5	41
Biarritz	C	8	46	Melbne	C	17	63
Bmghm.	C	5	41	M'ntreal	C	1	34
Blackp'l	C	5	41	Moscow	S	4	39
Bordx.	R	5	41	Munich	S	6	43
Boulgn.	C	6	43	Nairobi	R	23	74
Bristol	C	6	43	Naples	C	14	57
Brussels	C	5	41	Nwcstl	C	5	41
Budpst.	F	12	54	N. York	S	11	52
B. Aires	S	15	59	Nice	F	13	55
Cairo	S	26	68	Oporto	F	14	57
Cardiff	F	6	43	Oslo	C	6	43
Cas'b'ca	S	17	63	Paris	F	7	45
Cape T.	S	23	74	Perth	S	19	66
Chicago	R	9	48	Prague	F	8	46
Cologne	R	2	36	Reykjvk.	S	2	36
Conhgn.	C	4	39	Rhodes	S	18	64
Corfu	C	16	61	Rio J'o	C	26	80
Dublin	R	3	37	Rome	R	13	55
Dbrvnk.	C	11	52	Salzb'rg	S	10	50
Edinbgh.	C	5	41	Singapr.	C	29	84
Faro	F	16	61	Stckhm.	C	2	36
Frankf't	C	5	41	Strasbg.	C	6	43
Funchal	C	18	64	Sydney	C	21	70
Geneva	C	4	39	Tangier	F	17	63
Gibrltr.	F	17	63	Tehran	S	20	78
Glasgow	C	7	45	Tel Aviv	S	19	66
G'nsey	C	4	39	Tokyo	C	10	50
Helsinki	C	4	39	Toronto	C	4	39
H. Kong	C	15	59	Tunis	S	20	68
Innsbrk.	F	9	48	Valencia	S	17	63
Invrnss.	C	5	41	Venice	C	9	48
Jersey	F	5	41	Vienna	S	12	54
Jo'burg	S	20	79	Warsaw	C	7	45
L. Plms.	F	19	66	Zurich	S	7	45

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

TORIES URGED TO SEEK DECISIVE MAJORITY

Thatcher sounds battle cry

BY PHILIP RAWSTORNE

MRS. MARGARET Thatcher *yesterday* urged the Conservatives into the General Election campaign, calling on the party to win a decisive majority for change.

In a rallying speech to 400 candidates at the Central Hall, London, the Tory leader said the party wanted "the biggest mandate to do the things we have to do."

Mrs. Thatcher said the party was entering the fight with morale high, and exhorted the Conservative candidates not to be afraid of change.

"Don't duck it. It is time for change."

Referring to Mr. James Callaghan's charge that the Tories would "tear up the roots of the country," Mrs. Thatcher said: "We are the party of roots."

It was Labour who had torn up the spirit of enterprise, she said.

Mrs. Thatcher said that this would be the most crucial election the party had fought. The choice was between a great and *free country or a further move* towards a Socialist state.

"We can either go on as we are or change: we can either carry on with an inflation record that is the worst in modern times, carry on with record unemployment and a declining Britain or restore freedom and enterprise."

Mrs. Thatcher said that the Conservatives would make only one main promise during the campaign — to cut the rate of income tax at all levels.

"It is paramount in our strategy," she said. "It is sustainable but it limits other promises."

The power and responsibility of the trade unions would be a major theme of the contest, she said.

"We are on the side of the moderate members of the trade unions. We are not on the side of those trade union members who would ride roughshod over other members of society."

Law and order would be restored as a fact and as a concept. "We can at least see there are enough policemen and that they are paid well."

Mrs. Thatcher, to a standing ovation, concluded: "You cannot have a free society without a free enterprise economy. Socialists do not believe in a free enterprise economy — they exalt the State and belittle the individual."

More election news, Page 10
Men & Matters, Page 18
Politics Today, Page 19

Among other preparations for the election, it was announced yesterday that Mrs. Thatcher had appointed Professor Douglas C. Hague, deputy director of the Manchester Business School, as her personal economic adviser during the campaign.

A former consultant to the National Economic Development Office and member of the Price Commission, Professor Hague said he would be advising the Tory leader on economic developments during the campaign and writing some of her speeches.

On the Labour side, yesterday, the Cabinet met for its last full and formal session at Downing Street. All 25 Cabinet Ministers and Mr. Michael Cocks, the Government Chief Whip, attended the 90-minute meeting.

The Labour Party's manifesto drafting committee met again yesterday to prepare for today's full meeting between the Cabinet and the National Executive Committee which will approve the final version for publication this weekend.

Mr. Roy Hattersley, the Prices Secretary, said in Ilford, Essex, last night that he had no doubt that a promise to extend and strengthen statutory price controls would be included in the manifesto.

Lonrho increases bid

BY JAMES BARTHOLOMEW

SIR HUGH FRASER, deputy chairman of Scottish and Universal Investments, and Mr. James Gossman, a director, will recommend a revised offer by Lonrho for Scottish and Universal Investments.

Lonrho had raised its bid by £3.3m to £43.5m yesterday.

The move came soon after its announcement that the attempt by Gulf Fisheries of Kuwait, its largest single shareholder, to put two nominees on the board had been overwhelmingly defeated.

Lonrho will now offer 115p cash and one Lonrho share for every share of SUITS, valuing the Scotland-based investment company at £61.3m. Lonrho already owns just over 29 per cent.

Sir Hugh, who is in Vancouver, recommended Lonrho's first offer a year ago, but then opposed the offer announced last month.

Charterhouse Japhet, financial adviser to SUITS, yesterday challenged Lonrho's statement that the new offer was an attractive proposition "having regard to the sound position of Lonrho and its undoubted potential for further growth."

Mr. Bruce Fireman, a director of Charterhouse, said he wanted to see a justification of these claims in Lonrho's offer document since the Monopolies Commission report last month stated that Lonrho's profits, excluding asset revaluations and associates' profits, had fallen in the past two years.

The Commission had also said Lonrho was negotiating a £50m loan. No details had so far been announced, Mr. Fireman said.

Earlier yesterday, Mr. Paul Spicer and Mr. Philip Tarsh were re-elected to the Lonrho board by 97.5m to 46.3m votes. This vote meant that a poll on the motions to appoint Mr. Thomas Ferguson and Mr. Ewan McDonald, nominees of Gulf Fisheries of Kuwait, in their place, became unnecessary.

Lonrho shareholders voted in force, and just over 76 per cent of the group's shares were committed one way or the other.

Lonrho rubbed in the defeat yesterday by asserting that 44m of the 48m votes cast on Gulf's side came from Gulf and its associates. Another 2m of the votes were cast by "a large investor associated with Sheik Nasser's (chairman of Gulf) advisers," Lonrho said in a *statement almost sure to refer* to Save and Prosper unit trust group, one of whose substantial shareholders, Robert Fleming, had advised the Sheik.

Lonrho claimed: "The result thus demonstrates, once again, the solid confidence of Lonrho's shareholders in their board."

In the takeover battle for SUITS, the shares of Lonrho held by the institutions could be important. Of 15 insurance companies, pension funds, unit trusts and investment trusts questioned, only four held any shares at all in Lonrho and three of them held them only for the high yield.

This apparent lack of confidence in Lonrho could affect the bid outcome because of the decision facing some institutions on whether to accept Lonrho shares in place of holdings they might have in SUITS. *The major source of institutional disquiet* was the location of Lonrho's assets and earnings.

Shell increase is halved

BY KEVIN DONE, ENERGY CORRESPONDENT

THE PRICE Commission is to investigate oil product price increases proposed by Shell and has decided to allow only half the price rise sought by the oil company as an interim increase.

The commission's move took the oil industry by surprise, and will cause confusion in oil product markets.

Shell has been allowed an average increase for all products of 1.5p a gallon, but it has not yet decided how to apply the increase. It is probable that the bulk of the increase will fall on petrol rather than spread evenly across all products, including heating oil, aviation fuel and fuel oil.

All the other major oil companies, including Esso, BP, Texaco and Mobil raised wholesale oil product prices from midnight *last night* by an average of 2½-3p a gallon.

Most companies are also weighting the increases towards petrol.

The largest increase will be applied by Texaco, which is adding 4½p a gallon to the wholesale prices for petrol, diesel, gas oil and burning oil, with an increase of 3.6p a gallon on the wholesale price for all grades of *fuel oil.*

For most brands of petrol the price of a gallon of 4-star is now likely to rise at the pump, once VAT and dealers' margins are included, by 3p-5p a gallon bringing the price up to 87p-89p a gallon.

The oil companies are already working on a further round of notifications for the Price Commission to be submitted soon. It will be the third price increase within four months, as consumers move to recover their increasing costs following the crude oil price increases imposed by OPEC members.

The level at which crude oil prices will settle in the second quarter is still unclear as a result of the variety of surcharges and premiums which are being imposed by the producer countries. But the oil companies will submit proposals for a new round of increases—which will take the price of 4-star petrol well above 90p a gallon—as soon as the position is *clarified.*

Rises sought by three oil companies are under investigation by the Price Commission—Esso, British Petroleum and Shell, the three market leaders in the UK. The Esso and BP investigations should be completed by May 16 and Shell by July 8.

Increases by other companies have been left untouched.

Shell has been allowed an average increase of 3 per cent against its application for 6 per cent. This is equivalent to 1.5p a gallon, inclusive of VAT and duty. Esso has been allowed 1.9p a gallon across all products, exclusive of duty and VAT and BP has been allowed 2.6p a gallon, inclusive of duty and VAT.

BP and Esso have been granted their price proposals in full.

Veto urged on bids for National Airlines

By John Wyles in New York

THE U.S. Civil Aeronautics Board was yesterday strongly recommended by one of its administrative law judges to veto rival moves to acquire National Airlines by Pan American World Airways and Texas International Airlines.

The ruling by Judge William Dapper will have to be endorsed by both the board and President Carter before the merger applications can be pronounced dead. But the judge's findings will be a bitter disappointment to both Texas and Pan Am which both felt that they had a strong case to be allowed to press ahead in their bids to acquire National.

The importance of the judge's pronouncement lies in it being the first verdict on a merger proposal involving major airlines since the Airline De-regulation Act was passed by Congress last November.

Since then a CAB judge has recommended approval of a merger between two small regional airlines, North Central and Southern, but the bids involving National have always been seen as the acid test of the Board's attitude to mergers in the de-regulated era.

Essentially, Judge Dapper's stand was based on the view that a fusion of either TXIA or Pan Am with National would tend to reduce competition within the industry. He observed that last year's De-regulation Act intended to establish a *regulatory regime "in which* vigorous competition between air carriers would be the touchstone."

Both Texas and Pan Am were, he said, potential entrants on a number of National's routes but a merger of the former with National would actually reduce *competition on routes from New* Orleans and Houston. A Pan Am-National link, on the other hand, would lessen competition on routes between U.S. and Europe.

The board is expected to wait until June or July before giving its ruling to allow completion of hearings on Eastern Airlines' application to buy National.

Continued from Page 1

MLR

interest rates will not be reduced any further. The authorities are determined to avoid a repetition of the events of 1977 when MLR was cut to 5 per cent in a futile attempt to reduce inflows while sterling was held down. This in practice undermined monetary control.

So if yesterday's measures do not check the inflows the pressures will presumably be reflected in the exchange rate.

The authorities' options are limited during the four weeks before the election and the cut in MLR has all the appearances of a holding operation until a more fundamental review can be undertaken. Mr. Gordon Richardson, the Governor of the Bank, is known to favour a relaxation of outward exchange controls, and this has also been publicly supported by Conservative leaders.

Our Dublin Correspondent writes: The continuing strength of sterling means that the Irish punt is at its lowest value against sterling since the two parted company on Friday. At yesterday's close, it stood at £0.9848, compared with £0.9880 overnight.

But the punt remained firm against other currencies in the European Monetary System.

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Dunlop protest

Dunlop imports a large amount of raw materials and tyres and exports a wide range of goods, including tyres, sports equipment and specialist engineering products. Much of the imported raw material is not identifiable as Dunlop imports.

Rhys David writes: Mr. Ken Johnson, the administration director of Dunlop, has accused the Speke labour force of largely bringing the closure on their own heads by ignoring the persistent warnings over the past five years of the need for improved results.

Mr. Johnson claimed that in 1977, when the plant made a £2.4m loss, only 60 per cent of working hours had been used effectively and production of the four main types of tyre had not reached 75 per cent of target.

Productivity at the plant was the worst among the group's nine European factories and its wastage was the highest. The main contributory factors behind the low level of output had been stint working, a system of producing a predetermined amount and no more, no matter how many hours of the shift remained, demarcation disputes, and extensive rate re-bargaining even for minor changes in working practices.

In the first half of 1978 the *losses had increased to £1.6m* and the decision to close Speke had had to be taken to protect group profitability and other employees.

The joint action committee at the plant challenged Mr. Johnson's statements, however, claiming that most of Speke's *problems* stemmed from lack of investment.

Mr. Tony Lane, a spokesman original cost of plant and equipment at Speke was £9.5m but the current book value was only £2.5m. Investment had exceeded depreciation in only one year since 1972. Much of the equipment *went back* to 1945 and there were some pieces which were pre-first world war, he said.

The committee also claimed that the refusal to do more than a set amount of work on a particular shift had been introduced because men were being laid off because of bottlenecks elsewhere in the production line. Comparisons of productivity between Speke and other plants were invalid because of a different product mix and older equipment.

U.S. link for Robert Fleming

By Michael Lafferty, Banking Correspondent

ROBERT FLEMING, the London merchant bank and T. Rowe Price, the U.S. investment management company, yesterday announced a joint venture to provide international investment management services for U.S. institutional clients.

The link is the latest in a series of moves by leading UK merchant banks to tap U.S. pension fund money going to international markets. Last month Baring Brothers acquired 80 per cent of the Boston-based Endowment Management and Research concern for some £1.5m. Other merchant banks are still discussing plans.

The joint venture will trade under the name of Rowe Price-Fleming International, and will operate from London. Rowe Price, which is based in Baltimore, has total funds of about $6bn (£2.9bn) under management, while Robert Fleming manages or advises a similar amount.

Rowe Price will market the services of the new company in the U.S., while Robert Fleming will look after the international management of the resulting funds.

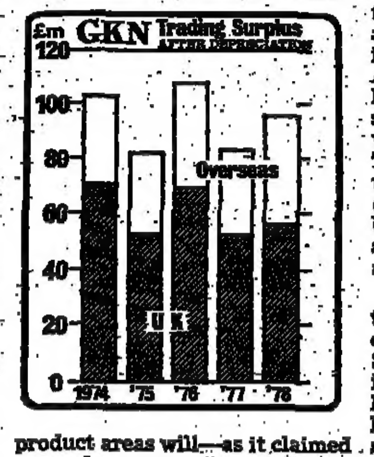
THE LEX COLUMN

Overseas boost for GKN

Although in the past it has been the policy of the Bank of England to hold the financial markets steady during election campaigns, the Bank has never had to cope with quite such an inflexible policy on monetary growth as it is now trying to administer. It is a basic fact of life that interest rates, the exchange rate and the money supply cannot be controlled all at once, and the Bank is not going to repeat the mistakes of 1977.

The apparent message of yesterday's moves is that the authorities will try to keep MLR stable at 12 per cent, and will do their best to stop the sterling M3 from overshooting too much, but the sterling exchange rate will have to look after itself. The immediate reaction was a rise in sterling to equal the 1978 index peak at 66.7, while gilt-edged, expectantly, managed a late surge.

Index rose 8.9 to 532.7



GKN

After the Lucas figures the *market had become nervous* about GKN but there was no need: a profits outturn of £87.3m before tax (but after additional depreciation) compares with £72.3m for 1977 and expectations of around £80m. Thanks to a strong showing in Germany the motor components side managed to absorb a second half setback in the UK, so that this division achieved an unchanged trading profit of £47m for the year.

Meanwhile the general and civil engineering side responded well to a slightly improved trading climate and to elimination of unprofitable activities, scoring a sharp advance from £10m to £23m. With primary metals and the distribution division showing modest recovery, and the contribution from associates (including Sachs for the last time) much higher than in the *first half, GKN managed to* please the market enough to leave its share price 24p higher at 278p.

Nevertheless the group's returns remain unacceptably low in many areas. UK trading profits rose only £3.8m in 1978 to £56.3m, still well below the 1974 level, while overseas there was a £9.4m gain to £40m, a new peak. One consequence is a higher tax charge which has limited the rise in earnings per share to 7 per cent at 26.7p (or 40.8p on a historical cost depreciation basis). There is big potential in the U.S., where export business was up two-thirds to £72m last year. The major question for GKN, however, is whether its attempts to streamline its organisation and product areas will—as it claimed yesterday — "progressively become evident in the trading results." The yield on the shares, at any rate, has edged just below 10 per cent.

Ladbroke Group

Despite the impressive performance over the years, culminating in a 70 per cent increase in pre-tax profits to £41.4m in 1978, investors are still nervous about the quality of Ladbroke's earnings. Although the shares rose 13p to 239p yesterday, they sell on a multiple of less than six times earnings.

The group has been trying hard to improve the balance of its business by diversifying into the hotel and holiday fields but it is clear that it is still heavily dependent on casino profits. The Royal Commission on Gambling has already recommended swingeing tax increases on casinos, and now Ladbroke has admitted that the police will probably challenge the annual renewal of its London casino licences next month.

With this sort of axe hanging over its head Ladbroke was being rather shy yesterday about revealing just how much money its casinos made last year. However, if a profit improvement of such a size did not largely come from casinos and betting, it is hard to know where else it came from in 1978.

Cadbury Schweppes

Cadbury Schweppes' 1978 profits are unchanged at £48.2m pre-tax, but the group expects a "material improvement" in 1979. The suggestion is that Cadbury has deliberately sacrificed short term growth in order to build on the strength of its major brands and improve its operating efficiencies—and that the pay-off starts this year.

Thus Canada should swing from losses to profits following the closure of excess capacity, and the group's market shares in the U.S. are improving. North America as a whole could be heading for pre-tax profits of, say, £4m or £5m after making very little contribution in 1978. The Australian company hopes to claw back last year's profits decline of over £3m, while the UK tea and food business—about £2m down last year—is also looking for recovery.

Most important of all, a continuing programme of plant closures is helping to put Schweppes back on a sound footing in the UK, and a much higher advertising budget is having an impact on market shares in confectionery and soft drinks. The shares are still distinctly hesitant at 57p, where the yield is 9½ per cent. But on the 10th anniversary of what has proved to be an ill-conceived merger, it does look as though things at last are beginning to stir at Cadbury Schweppes. And it is recognised that the grass is greener at home: concentration rather than diversification is now the theme.

Bowater

Despite the depression in the pulp industry and continued losses on its UK newsprint business, Bowater pushed overall pre-tax profits marginally higher last year, to £90m from £87m. Exchange fluctuations again had a marked effect: an unchanged sterling/dollar rate through 1978 would have meant a gain in profits of about £5m, but on the credit side, the weak Canadian dollar again gave a strong volume boost to the group's sales from Canada into the U.S. So far this year the currency movements are all unfavourable, with the Canadian dollar hardening against the U.S. dollar, while sterling is still advancing.

But recently the pulp market has tightened considerably and higher prices are being successfully passed on. The current year should see better performances from packaging and commodity trading as well, and Bowater should be able to move off its profits plateau. However, increasingly heavy costs from the Calhoun mill in Tennessee will be carried until it starts production later this year, and the real improvement in profit may not show through until 1980. At 195p the shares yield a solid 8.6 per cent on a p/e of 8.

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